FREIGHT TRAFFIC ISSUE

How China Shipper Trims Transport Costs

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February 27, 1961

RAILWAY AGE *weekly*

Four-Way Merger

'Northern Roads' submit blueprint for consolidation to ICC

Huge new system will require five years for completion

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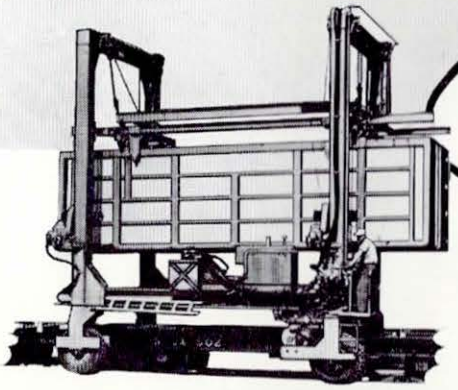

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For More Information Write Dept. RA

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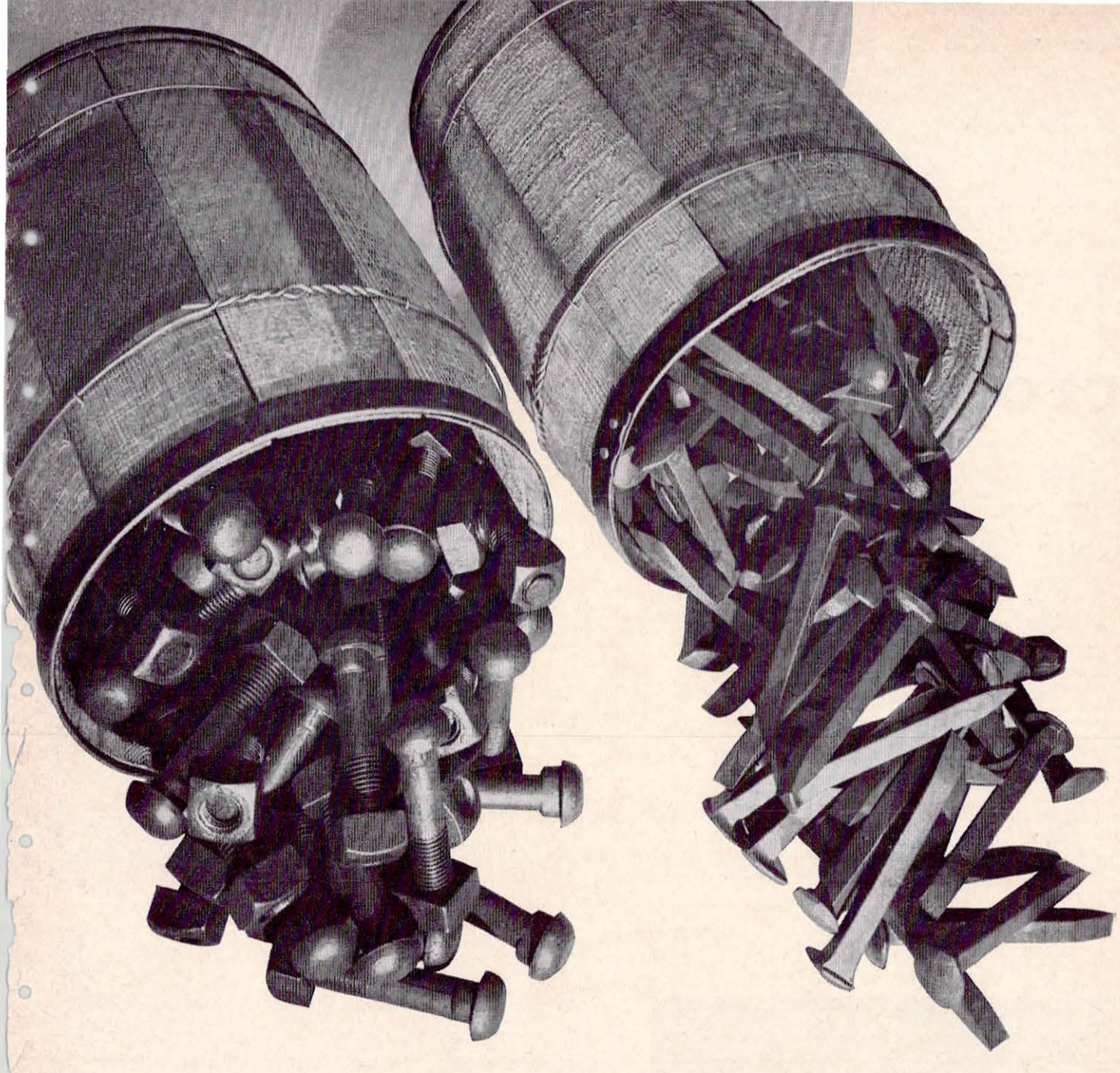

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Portrait by Editta Sherman

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RAILWAY AGE *weekly* February 27, 1961 • Vol. 150, No. 9

Week at a Glance

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Four-way merger — why and how ..... p. 9

Now before the ICC is a proposal that would create the nation's largest railroad network—the 24,000-mile Great Northern Pacific & Burlington Lines. Here, in two parts, is the story of what the merger will mean to the public and the railroads involved; and how it will be effected.

Eastern roads win antitrust case p.10

The U. S. Supreme Court has reversed lower-court rulings which awarded $852,000 in damages and lawyers fees to 41 Pennsylvania truckers and the Pennsylvania Motor Truck Association.

Shippers ask uniform regulation p.15

Well over half the respondents to this month's Traffic Poll favored combining transport regulation activities under a single agency. Creation of a federal department of transportation also was recommended by a majority of respondents.

N&W awards coal-pier contract p.18

The pier project will cost about $19,000,000. Target date for completion is December 1962.

Shipper of china needs low rates p.22

Transportation costs are of prime importance when an industry ships from one location to distributors all over the country. One such shipper is Syracuse China Corp., the country's largest and oldest manufacturer of china tableware.

CITL explores cost savers p.31

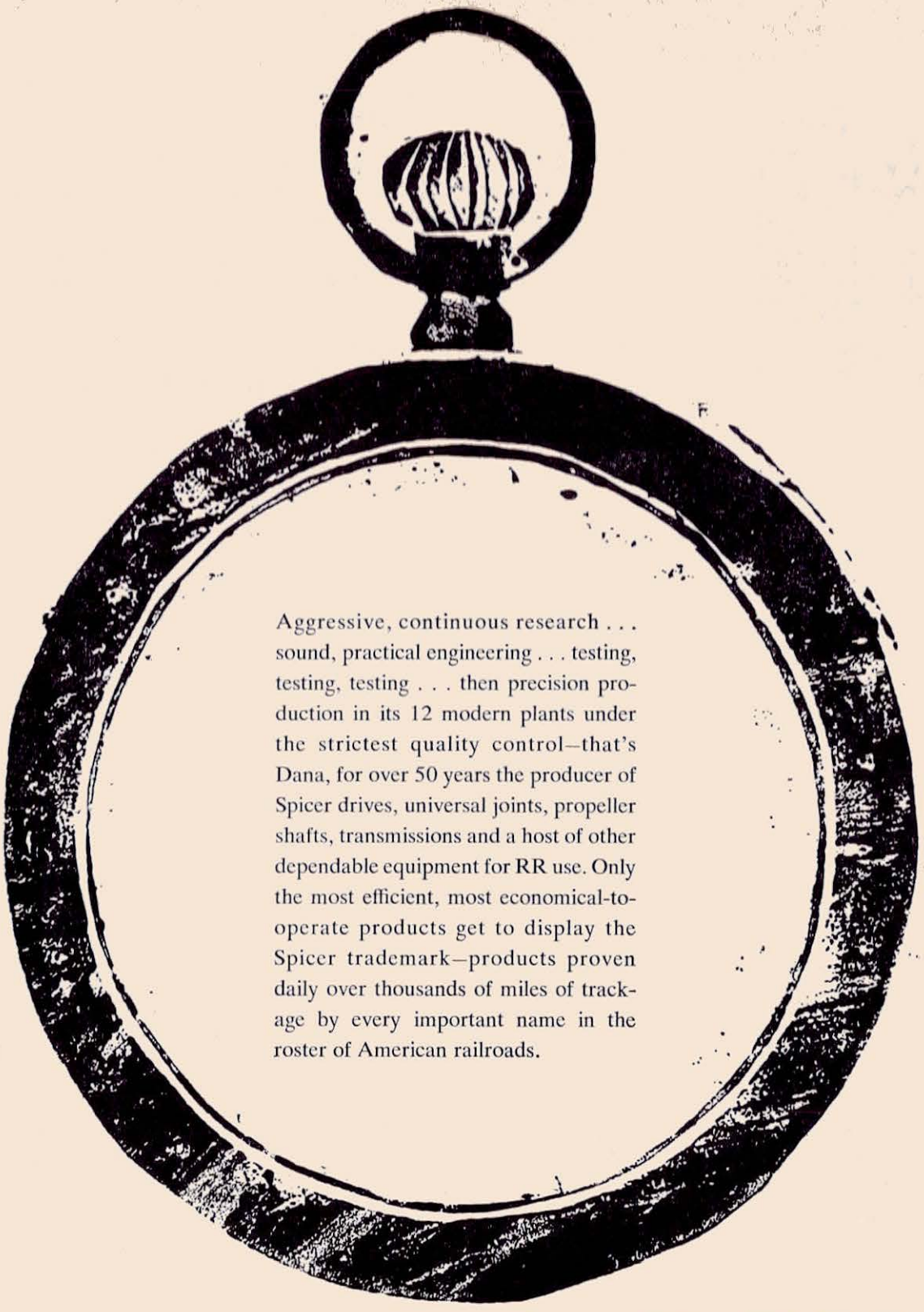
The league's Fifth Annual Traffic and Transportation Conference at Toronto focused attention on economies to be gained by more efficient distribution of goods.

Commission gets fireman issue p.37

The railroads have told the Presidential commission that they want to work out ways of eliminating firemen from road freight and yard diesels "without undue, unreasonable or unnecessary hardship" to the employees.

Seminar probes distribution management p.40

The concept of distribution management is a relatively new entry in the field of transportation studies. But the con-



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Week at a Glance CONT

Current Statistics

Operating revenues	
11 mos., 1960	$8,782,777,302
11 mos., 1959	8,979,398,045
Operating expenses	
11 mos., 1960	6,951,724,230
11 mos., 1959	7,050,235,908
Taxes	
11 mos., 1960	945,064,644
11 mos., 1959	958,748,814
Net railway operating income	
11 mos., 1960	549,744,777
11 mos., 1959	671,185,991
Net income estimated	
11 mos., 1960	393,000,000
11 mos., 1959	484,000,000
Carloadings revenue freight	
6 wks., 1961	2,905,832
6 wks., 1960	3,554,327
Freight cars on order	
Feb. 1, 1961	18,894
Feb. 1, 1960	48,170
Freight cars delivered	
1 mo., 1961	3,515
1 mo., 1960	2,849

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cept has come in for a lot of attention. A recent two-day seminar on the subject was attended by 43 traffic specialists.

The Action Page: 'Get well — but not just yet' p.58

How sick does transportation have to get before the doctors get down to serious surgery and medication? The patient has been diagnosed for a long time. What transportation needs more than anything right now are some significant legislative projects in the hands of able legislative strategists.

Short and Significant

Class I railroad employment . . .

declined to 710,954 in mid-January—a 9.51% drop from January 1960. Biggest decrease was among maintenance of equipment and stores employees, 12.77%. The January total was 3.22% below the December 1960 figure.

200,000 railroad employees . . .

are "threatened with unemployment in the near future as the result of pending proposals for mergers and consolidations," says RLEA in demanding "a halt to the approval of additional railroad mergers at this time."

Tax relief of $6.2 million a year . . .

for the ailing New Haven was endorsed by governors of New York, Connecticut, Massachusetts and Rhode Island last week. It's part of a $13.7-million-a-year relief plan that also calls for 10% hikes in commutation fares, repeal of the federal excise tax on non-commutation fares, and "efficiency savings" on the part of the railroad.

A C&NW-Milwaukee Road unification plan . . .

is expected to be ready for presentation at directors' meetings March 16. Consolidation would create a 21,325-mile system—larger than any now operating and second only to the Great Northern Pacific & Burlington among proposed systems. Studies indicate that a C&NW-Milwaukee combination would produce annual benefits of at least $40 million before income taxes. In a joint statement following separate directors' meetings, Board Chairmen Ben W. Heineman of the C&NW and Leo T. Crowley of the Milwaukee said they believed that "there are no two railroads in the country that, in combination, could bring greater benefits to all interested groups." Twice before (1939 and 1955-56) the two roads probed possibilities of merger.

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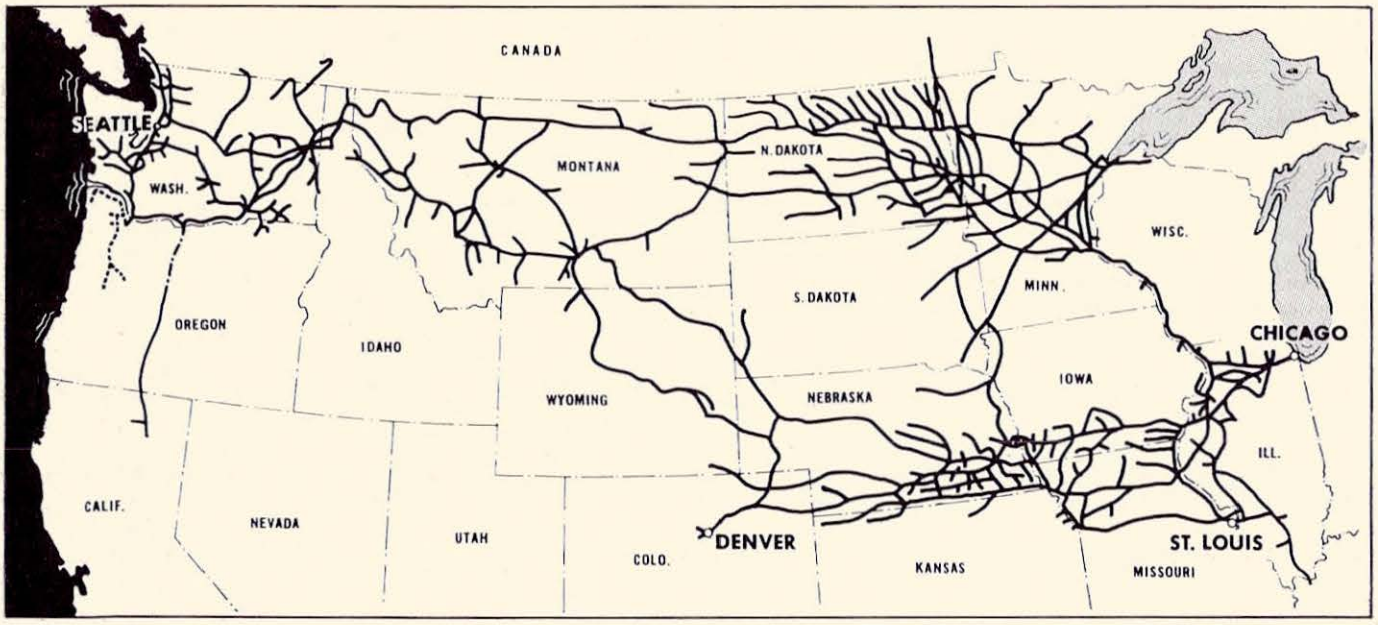


PROPOSED 24,000-MILE GNP&BL would sprawl over 17 states and two Canadian provinces.

FOUR-WAY MERGER I—WHY

Unification: 'Key to Progress'

► The Story at a Glance: The merger some said would sink under the weight of its own complications dropped anchor at the ICC Feb. 17, with all "complications" neatly stowed away.

In a multi-stage operation requiring an estimated five years to complete, Great Northern, Northern Pacific, Burlington and Spokane, Portland & Seattle plan to weld themselves into a single rail system—the newly-formed Great Northern Pacific & Burlington Lines.

Under terms of the application filed with the ICC, GN, NP and the GN-owned Pacific Coast Railroad will first be merged into GNP&BL. Subsequently, after obstacles in existing mortgages are removed, Burlington will be merged into the new company. SP&S will be leased by the GNP&BL for ten years following the Burlington merger, and consideration of an SP&S merger presumably will come at the expiration of the initial lease.

Unification will create the nation's largest railroad network—more than 24,000 miles of road, serving 17 states and two Canadian provinces. Here's what the merging roads think consolidation can do for them—and what it will enable them to do for the territory they serve.

Five years ago, Great Northern and Northern Pacific set out to find the answer to a double-barreled question: Whether their consolidation (with Burlington and SP&S) "could be effected in the public interest and with resultant improvement in the railroads' long-term operating future."

Their study, presidents of the four companies say (in a brochure that tells how merger will work), "clearly revealed that consolidation could be accomplished in a way that would provide substantial improvement in transportation services, without weakening competition. It also revealed that the four railroads could count on rather large operating economies. . . .

"The results of years of careful study lend a high degree of confidence to the belief that the consolidation of these railroads is indeed the key to transportation progress—and, when accomplished, will bring large benefits to the territories served."

What, say the merging roads, can the shipper and traveler expect from a unified system that stretches from Chicago and Head of the Lakes to the Pacific Coast and blankets the Midwest from the Great Lakes and St. Louis to the Rocky Mountains?

- Faster freight service. The best routes and terminal facilities of the four roads will be combined into a single unified main line, 17 miles shorter than the present GN Twin Cities-Seattle route and 139 miles shorter than the NP line (RA, Nov. 7, 1960, p. 9). Terminal delays can be sharply reduced, through use of modern electronic yards. At the Twin Cities, for example, the three roads now switch at nine separate yards. No single carrier has enough volume to warrant building a new yard. But under consolidation, GNP&BL will spend $14 million for an electronic class yard on NP property at Northtown. Estimates indicate that, with the consolidated yard, westbound cars received from the Burlington could be classified and sent on their way in as little as one-seventh of the time now required. Concentration of through transcontinental traffic on a unified route, morever, will enable GNP&BL to dispatch up to seven transcontinental trains from Northtown in 24 hours. Then, too, service to intermediate points—both on the new through freight route and on other lines of the system—will be improved. Local and intermediate schedules will be speeded up.
- Improved freight car supply. With

(*Continued on page 52*)

Eastern Roads Win Antitrust Case

► **The Story at a Glance: Eastern railroads, the Eastern Railroad Presidents Conference and the public relations firm of Carl Byoir & Associates have won the antitrust case brought against them by 41 Pennsylvania truckers and the Pennsylvania Motor Truck Association.**

The United States Supreme Court has reversed lower-court rulings which awarded the truckers $852,000, including treble damages of $652,000 and lawyers' fees of $200,000. These reversed rulings had also enjoined the eastern roads from advocating legislation to increase taxes on long-distance trucks and from any other activities "derogatory" of the truckers.

In reversing lower-court rulings in the so-called Pennsylvania Motor Truck Case, the United States Supreme Court agreed generally with contentions of the eastern railroads that the Sherman Antitrust Act should not be construed to deprive citizens of their right to petition the government. The court's decision was unanimous, embodied in an opinion by Justice Black.

The case involved the truckers' complaint against public relations practices and legislative activities of the eastern roads. While the court indicated its lack of admiration for some of these practices, it nevertheless cleared them from the standpoint of the antitrust law. From David I. Mackie, president of ERPC, came this comment:

"As eastern railroads have said in court for eight years, the issue involved was the Constitutional right to petition the government for redress of grievances. By its unanimous decision, the Supreme Court vindicated our contention that at no time had we violated the antitrust laws."

The case, as the Supreme Court reviewed it, had its beginnings in postwar competition of railroads and truckers for long-haul traffic. "At least the railroads, if not both of the competing groups, came to view the struggle as one of economic life or death for their method of transportation," the court also said.

It went on to explain that the gist of the conspiracy alleged was "that the railroads had engaged Byoir to conduct a publicity campaign against the truckers designed to foster the adoption and retention of laws and law enforcement practices destructive of the trucking business, to create an atmosphere of distaste for the truckers among the general public, and to impair the relationships existing between the truckers and their customers." Among more specific allegations was a charge that the railroads had persuaded the governor of Pennsylvania to veto a "Fair Truck Bill" which would have increased load limits.

In a counterclaim, which the lower court dismissed, the railroads made similar charges against the truckers, alleging that they had violated the Sherman Act by conspiring to destroy the railroads' competition for long-haul traffic and to monopolize that traffic for themselves. The basis for the lower court's dismissal of this counterclaim was a finding to the effect that the truckers' campaign was within the Sher-

(*Continued on page 54*)

Watching Washington *with Walter Taft*

• **JOB-PROTECTION PROVISIONS** of the Interstate Commerce Act, as they apply to railroad mergers, will be interpreted by the United States Supreme Court at its present term. This is assured by court orders granting motions to advance the Erie-Lackawanna case which otherwise would have gone over until the next term.

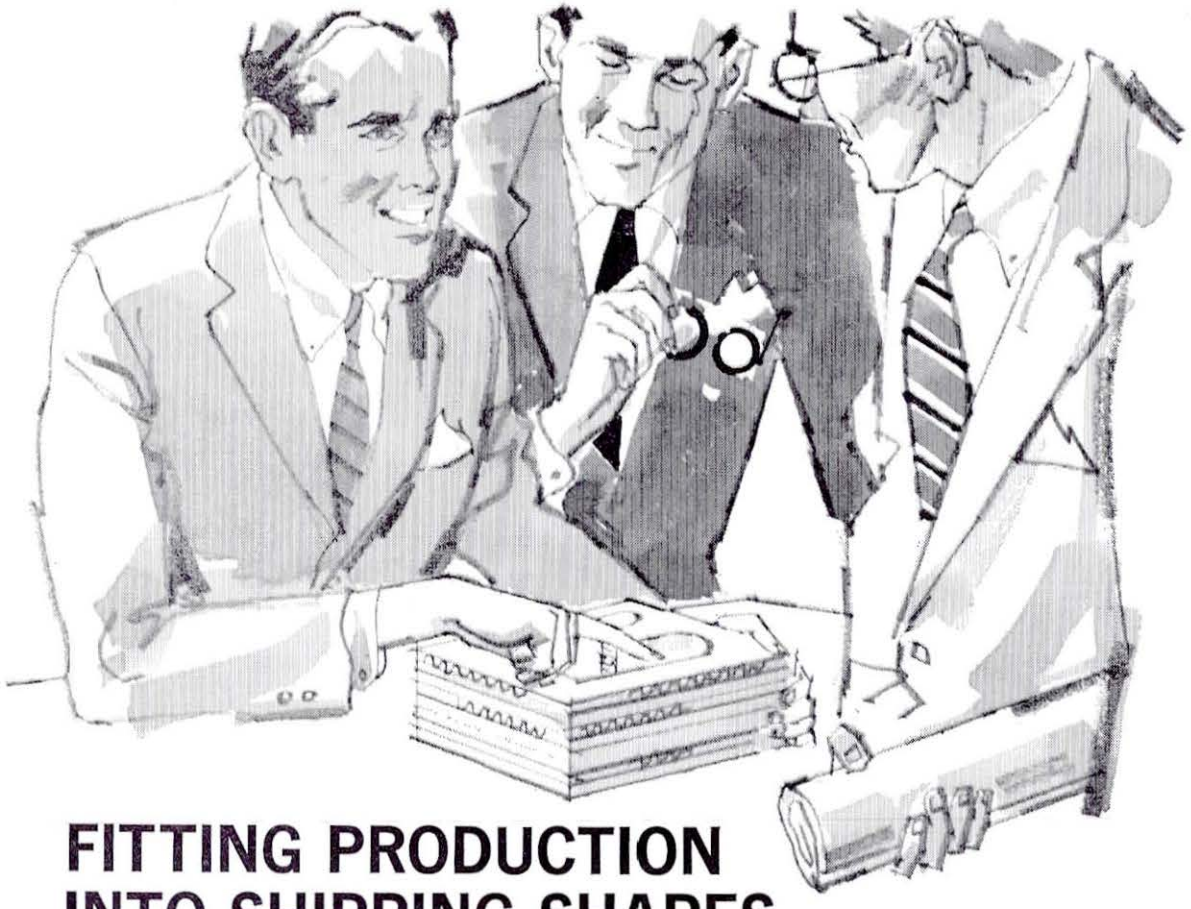
THE EXPEDITED SCHEDULE is expected to bring the case up for argument before the court next month. This is responsive to an ICC plea which said early resolution of the question "is highly desirable in order to end uncertainty and to clarify the circumstances under which the unification of rail systems in accordance with Congressional policy may take place." The Commission also called the court's attention to the still-pending merger proposals, "most, if not all," of which will raise the job-protection issue.

THE COURT TEST is a project of the Railway Labor Executives' Association, but the suit was filed on behalf of the Brotherhood of Maintenance of Way Employees. A complaint against the ICC and federal government, it is docketed in the Supreme Court as No. 681. It seeks to set aside the Commission order approving the Erie-Lackawanna merger.

BASIS OF THE SUIT is a contention that the labor-protection provisions require a job freeze, and that the Commission violated them when it left Erie-Lackawanna with the alternative of giving severance pay to employees affected by the merger. The issue is raised for the first time. In all previous cases, the unions acquiesced in an interpretation to the effect that the law permits either employment or compensation of employees displaced.

THE JOB-PROTECTION PROVISIONS are in Section 5(2)(f) of the Act. They stipulate that Commission approvals of mergers must be made subject to conditions which will insure that affected employees are not "in a worse position with respect to their employment" for post-merger periods up to a maximum of four years.

THE UNION'S APPEAL is from last December's decision of a special three-judge court which dissolved the restraining order they had obtained from Judge Thornton of the Federal District Court at Detroit. That order prevented Erie-Lackawanna from consummating phases of the merger which would involve changing the status of employees. After the three-judge court dissolved it, the consolidated company effected some unified terminal operations—but the job-freeze has now been revived by a Supreme Court order to remain in effect until the case is finally decided.



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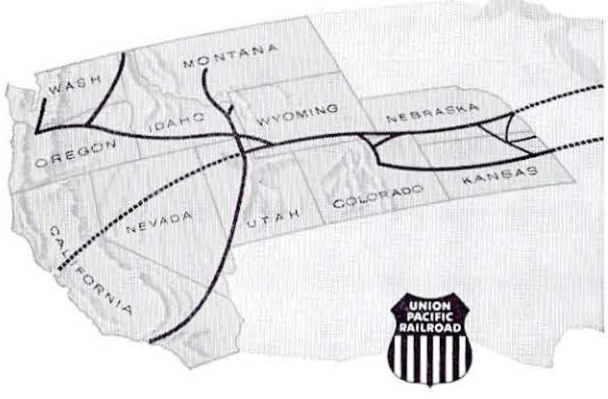

At the service of Traffic Managers is the Union Pacific staff of engineers, experienced in a wide range of problems in handling and shipping. This is another reason Traffic Managers depend on Union Pacific for efficient, economical quality freight service.

UNION PACIFIC *Railroad*

New GP-20's speed freight on the

UNION PACIFIC

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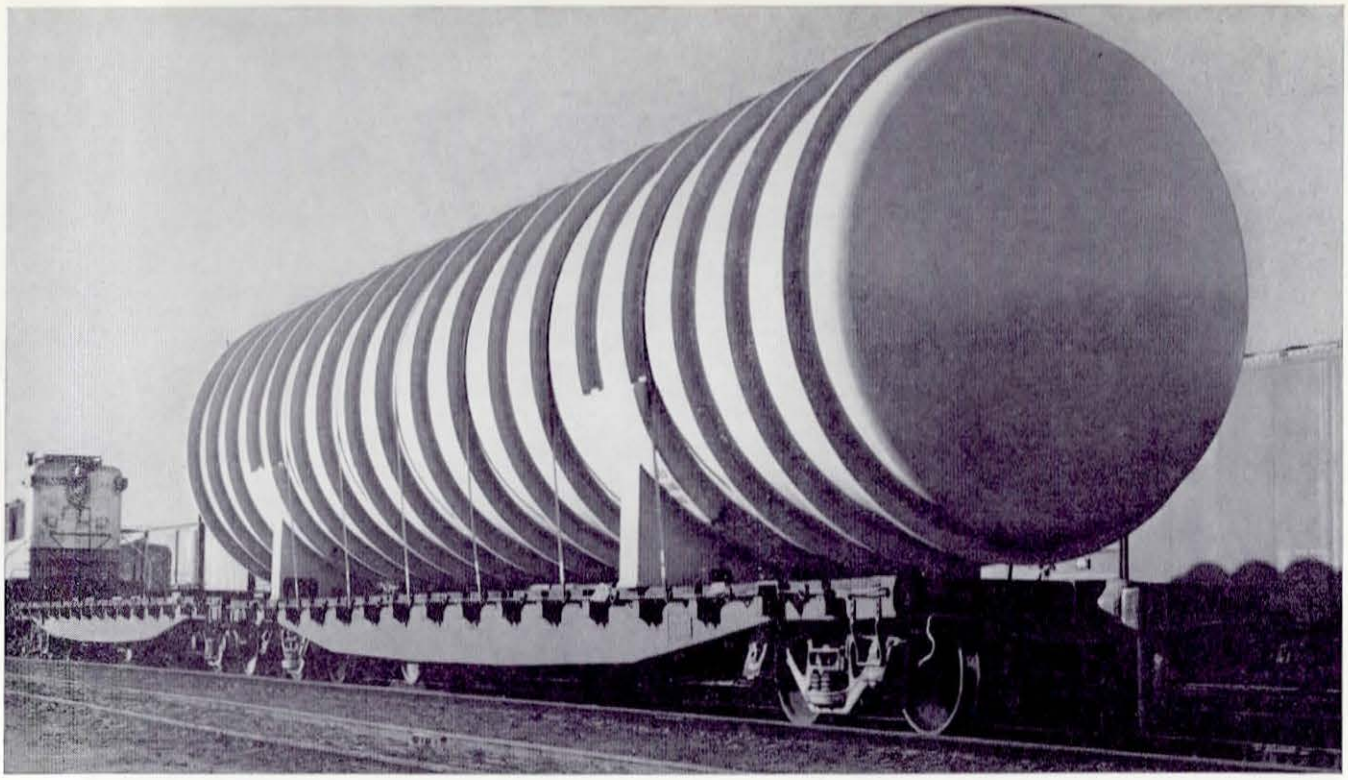
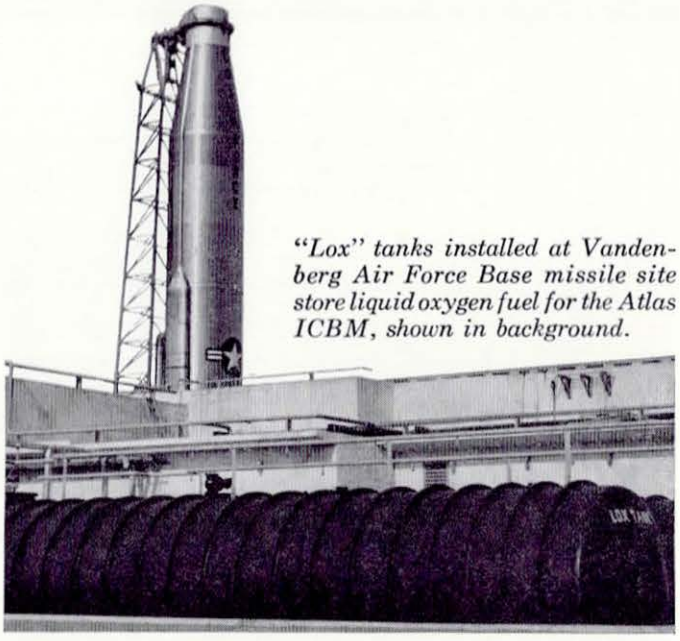


HIGHBALLING "LOX" TANK REACHES MISSILE SITE ON SCHEDULE

Size was no barrier to fast handling when S. P. rushed this giant liquid oxygen storage tank from St. Louis, Missouri, to Vandenberg Air Force Base, California. Our freight traffic experts, old hands with outsize shipments, plotted its trip to the hour, then checked its progress continually along the 2,500-mile route. It "highballed" across the Southwest to its destination in just under 100 hours—on time for installation by the U. S. Army Engineers.

This is a good example of how Southern Pacific's scheduled fast freights and experienced people can normally deliver oversize loads on the double, ready to stand inspection.



"Lox" tanks installed at Vandenberg Air Force Base missile site store liquid oxygen fuel for the Atlas ICBM, shown in background.

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Shippers Ask Uniform Regulation

Proposition

A short time before the inauguration, James M. Landis recommended to President-elect Kennedy that an Office for the Development and Coordination of Transportation Policy be created within the Executive Office of the President.

A few days later, the Doyle study group of the Senate Interstate & Foreign Commerce Committee recommended establishment of a Federal Transportation Commission to handle economic regulation, and a Department of Transportation to handle all other federal-government activities in the transportation field.

Questions

1) Do you favor combining regulatory activities under a single agency, to replace the present multi-agency arrangement?

Yes	**49**
No	**28**
Undecided	**3**

2) Do you favor creation of a federal department of transportation?

Yes	**47**
No	**30**
Undecided	**3**

Uniform regulation, greater efficiency and speed in making decisions, and the possibility of achieving governmental economies are the reasons most frequently advanced by those who favor combining regulatory activities under a single agency. Forty-nine out of 80 respondents to this month's Traffic Poll favored a single-agency setup.

Negative respondents believe that the varied exigencies of transportation are beyond the capabilities of one agency's administration. Some feel that the Interstate Commerce Commission is simply understaffed. Others are happy with the present arrangement.

A majority of respondents feels that creation of a federal department of transportation would be desirable. Forty-seven favor creation of such a department; 30 are opposed; and three remain undecided. But fears are expressed that transportation regulation might be made a "political football." S. F. Masman, Jr., traffic manager of Spencer Kellogg & Sons, Inc., Buffalo, N. Y., for example, approves creation of a federal department "to the extent that safeguards are incorporated to prevent political interference in the department of transportation."

A. B. McComb, treasurer, Smith Brothers, Inc., Poughkeepsie, N. Y., believes "regulatory activities should be combined in the ICC . . . (a) to achieve uniformity of policy and regulation as it may be applied to all transportation media, and (b) to divorce promotional activities now carried on in behalf of some transportation media from the regulatory activities of the same media."

Mr. McComb also favors "creation of a full department of transportation for the purpose of bringing more forcefully to the voters' attention the fact that there are serious inequalities in our national transportation picture."

J. P. Taboika, general traffic manager, Cowles Chemical Co., Cleveland, suggests that "either of the above suggestions are necessary, if we are to arrest the growing problems of regulated transportation. . . In spite of the good efforts of the ICC, Federal Mediation Board and Civil Aeronautics Board, it is now apparent that they no longer can operate independent of each other. . ."

R. J. Garrison, traffic manager, A. B. Dick Co., Chicago, says: "Transportation, in general, has only one thing to sell—the service of moving goods or people from one place to another. Therefore, it is only logical that the entire transportation industry be placed under one federal regulatory agency which could supervise it with a single law which would have a uniform purpose and policy." Such an agency, Mr. Garrison adds, should have as its single purpose "to provide the most and best service at the lowest total cost to the entire economy."

Mr. Garrison feels that, "if a Federal Department of Transportation was created, it would be better able to overcome the present confusion, inconsistency, disorganization and lack of planning which characterize the action of the various federal bureaus in existence today."

G. W. Albertson, general traffic manager of F. W. Woolworth Co., New York, believes "uniformity is necessary and desirable in objectives pertaining to the various transportation media" and thinks that, "as a start, their regulatory processes should be consolidated under one agency as a means of obtaining a proper focus on the problems of each media."

As for a federal department of transportation, Mr. Albertson feels that "appointment of a Secretary of Agriculture has failed to solve the problems in that area. Waving a magic wand and dishing out new names and titles will hardly serve the purpose."

H. E. Franklin, traffic manager of the Tacoma (Wash.) Chamber of Commerce, believes that "fair and *uniform* regulation of all forms of transportation is becoming more important all the time. One single department should better be able to provide such regulation."

Another who believes "a single agency would tend to render more uniform the practices surrounding all modes of transportation" is Vic Emery, transportation commissioner of the St. Joseph (Mo.) Chamber of Commerce. He thinks a single agency would "help to encourage joint air freight rates, for example."

"It is my opinion," writes E. F. Marfiak, traffic manager of Avco Corp.'s Lycoming division, Stratford, Conn., "that a tightening of controls is necessary to accomplish needed economy and uniformity within the several branches of the military and the government in general."

Although advocating a single-agency arrangement, Wallace A. Smedley, traffic manager of American Screw Co., Willimantic, Conn., fears that a federal department of transportation "would be a step toward government ownership and would become . . . just another avenue for party patronage."

Another adherent of a single agency, but not of a federal department, is Paul F. Haworth, traffic manager of Fred Rueping Leather Co., Fond du Lac, Wisc. Mr. Haworth writes: "I have always believed in less regulation and, with another department, we would have more regulation. We have seen only too many department and bureau heads expand their work to make their positions look more important."

Says Dwight L. Koerber, executive secretary of Pittsburgh, Pa.'s Coal Traffic Bureau: "The concept of a single agency is also in harmony with the concept of common ownership—and both are in the ultimate public interest."

R. L. Kendall, assistant general traffic manager of Inland Container Corp., Indianapolis, writes: "The 'super' commission theory would certainly

(*Continued on page 39*)

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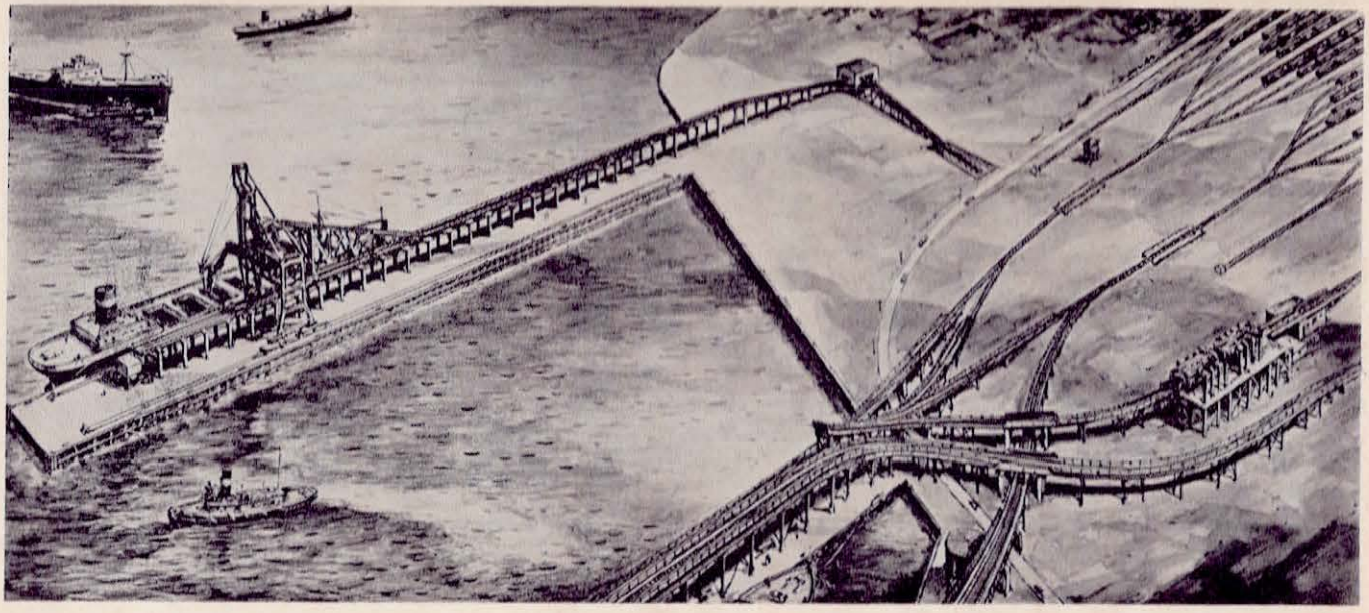

PIER NO. 6 at Lamberts Point, Norfolk, Va., will be able to load a nine-hatch 45,000-ton collier in 10 hr. The traveling loader will have a dumping rate of 8,000 tons an hour during peak loading, although this rate can be reduced to 3,000 tons per hour when necessary to reduce degradation of prepared coal. Two-car tandem dumper (lower right) will handle 1,800 cars per day during peak periods. Project is to be completed by December 1962.

N&W Awards Coal-Pier Contract

The award of a contract by the Norfolk & Western for the superstructure of its proposed new coal pier (RA, Dec. 5, 1960, p. 31) at Lamberts Point, Norfolk, Va., clears the way for progressing the design of the pier substructure. The design of the latter is dependent upon the loads which will be imposed by the dock machinery.

The contract, let to the Wellman Engineering Company, Cleveland, for approximately $5,000,000, covers construction of a two-car rotary dumper, a barney haul, all-belt conveyors and a traveling ship loader. Total cost of the project, including land, dredging, superstructure and substructure and trackage, will be about $19,000,000. Target date for completion is December 1962.

The new coal-loading pier, designated Pier No. 6, is to be built just down stream from the N&W's other two coal piers. It is designed to load all classes of colliers, from the Liberties to 130-ft beam, 1,000-ft ships of the future.

The pier, to be constructed with a reinforced-concrete deck on concrete pilings, will be 1,308 ft long. An N&W announcement says it will provide ample berthing space for the 35,000- and 45,000-ton colliers planned by the Italians and Japanese, and will load a nine-hatch 45,000-ton vessel with coal in 10 hr.

Cars of coal will be pushed from the yard to the dumper incline. A barney will haul the coal two cars at a time to the rotary dumper where they will be dumped simultaneously. The dumper, it is said, will be able to handle 1,800 cars a day during peak loading.

From the dumper, the operation will be by a conveyor-belt system. A 96-in. belt will carry the coal to and along the pier and into the traveling boat loader. The latter will permit a peak dumping rate of 8,000 tons an hour, putting the pier among the highest-capacity coal-loading facilities in the world. However, hourly dumping rate will be lowered to 3,000 tons when necessary to reduce degradation of prepared coal. An electronic-control system operating from the car dumpers to the trimmer inserted in the ship's hold will coordinate operations.

Supporting facilities for Pier No. 6 will include redesigned and expanded yards, new scales and office building, and car-repair facilities. A total of 36.7 miles of track will be added to the existing yards.

'Keep Wages in Line'

In an optimistic look at the coming decade, economist Arnold C. Schumacher of Chicago told Midwest shippers that "realistic national policies" and "individual self-discipline" will be required to create a climate in which "freedom of economic opportunity" can survive.

Addressing the 37th annual meeting of the Mid-West Shippers Advisory Board, Mr. Schumacher warned that "the nation is learning that in an atmosphere of strong competition and price concessions, wage increases cannot outpace the gain in the economy's efficiency." He called for an avoidance of further inflationary pressure and said this means "keeping wage increases in line with advances in technical efficiency" and the abandonment of "restrictive and inflexible work practices which serve to promote waste and increase costs."

Modification of inefficient work practices must come, not through legislation, but "through enlightened self-interest," he added.

Following a study of LCL shipments originating in the Board's territory, the LCL committee recommended that railroads pinpoint solicitation and handling of LCL traffic to serve only key points where through merchandise cars now operate.

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New Hydroframe-60 Box Car swallows 11 MPH impact, damage-susceptible newsprint load gets a baby-buggy ride!

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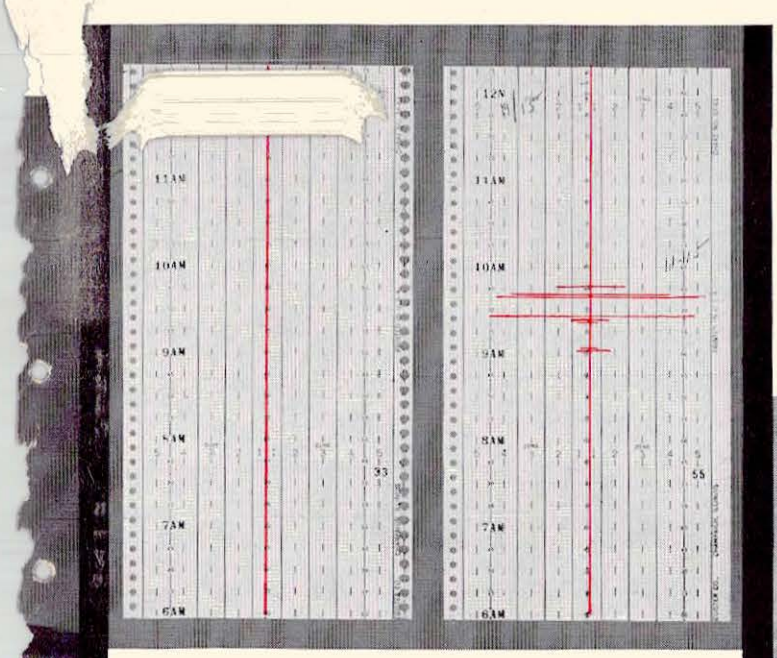
This new Pullman-Standard box car, the Hydroframe-60, has an astonishing effect on heavy impacts. They just disappear! Never get beyond the special underframe. Shipments, whether they're newsprint, the best bourbon or bottled baby foods, ride serenely to market . . . arrive as they left the plant: in 100% perfect, claim-free condition. Ready for sale or immediate use.

This newsprint roll shipment from the International Paper Company plant at Pine Bluff, Arkansas, for example, weighed 54,350 pounds and traveled 514 miles in the Hydroframe-60 Box Car. During this trip a ride recorder mounted on the car's underframe showed several impacts of 6, 7 and 8 mph plus two bruising blows of 10 and 11 mph. Yet, upon arrival at the publisher-consignee not a flat spot or out-of-round roll could be found in the entire load!

If you'd like to hear more about Hydroframe-60 protection, why this new principle of cushioning is so effective, how it can take the rap of heavy impacts, and its availability for your shipments, call or write us. We'll be happy to provide the details.

takes the rap!



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COUPLER IMPACT, 11 MPH: LOAD IMPACT, NONE!

These two impact recorder tapes tell the story. The one on the right shows two impacts of 10 and 11 mph at the coupler of the Hydroframe-60 car. The left tape recorded, at the same instant, any impacts that reached the load. As you can see, there were none strong enough to record.

ON ARRIVAL: NEWSPRINT READY FOR THE PRESSES

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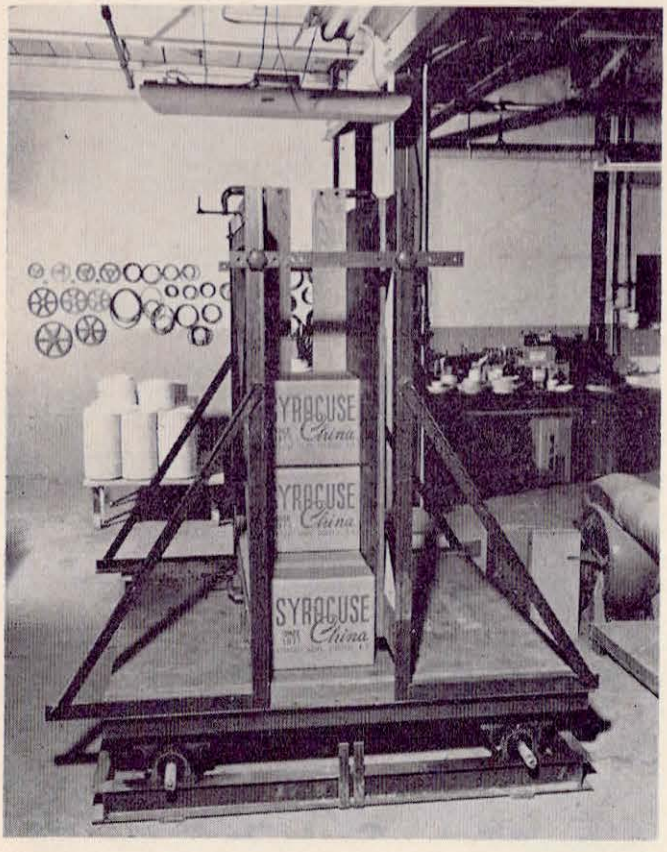
DAMAGE REDUCING equipment, like that in the box car shown here loading for a long haul and the Flexi-Van (and conventional piggyback equipment) for shorter runs, plus inherent durability of fine china, help keep claims low.



PACKAGE TESTING LABORATORY, long a feature of Syracuse China, has a continuing program of improving package design. New cartons, on left, eliminate corrugated liners between cups, save space, make packages stronger.

SHAKE WELL is an old prescription Syracuse follows in package testing. Packing methods for all types of china—plates, cups, serving dishes, holloware — are regularly tested in this vibrating machine, manufactured by the L.A.B. Corporation of Skaneateles, N. Y.

China Maker Needs Low Rates

In marketing china, good transportation can mean a sale—and poor transportation can cause an order to be lost. Transportation costs—and fast, reliable schedules—are of prime importance when an industry ships from one location to distributors all over the country. The biggest and oldest U.S. manufacturer of China—Syracuse China Corp.—uses practically every form of common carrier transportation to keep its products moving to its nationwide markets. Included is a substantial amount of rail business, in a higher percentage than most china manufacturers are giving to the rails. "What does Syracuse China like about rail shipments," we asked their Director of Transportation, W.S. Carter. Here's what we learned.

"The price of a piece of china depends not only on the production of the item itself but also on the cost of transporting the product in the same perfect condition it left the factory to thousands of points across the nation," says Syracuse China's director of transportation, W.S. Carter.

"At Syracuse China, we are continually trying to effect savings which can

be passed on to our customers," he adds. This means that the company's transportation policies are under constant scrutiny for ways that can cut transportation costs.

Syracuse China, largest and oldest U.S. manufacturer of china tableware, produces china styled for three types of use: commercial chinaware for public eating places, fine china for home use, and a new product, "Carefree" china for everyday family use. Commercial china—used in hotels, restaurants, hospitals, clubs and railroad dining cars—accounts for about 90% of Syracuse China's business.

Fine china is almost exclusively small shipments. The average shipment in this category is a single household table setting, weighing, for a typical service for eight, 40 lb. Syracuse China ships to between 2,000 and 3,000 distributors of its fine china line.

Commercial China: Volume

Commercial china frequently moves in carload lots, but most shipments here are in the 500- to 1,000-lb class. Syracuse China has over 200 distributors for its commercial line, which means that few of them have a large enough volume of china business to tie up inventory in carload shipments.

In a typical week, Syracuse China's traffic people will clear 10 to 12 incoming cars of raw materials (bulky box car loads of kaolin clays of various types, flint and feldspar from the southeast), an occasional inbound car of coal for firing and heating, about two cars outbound of commercial china, and a great many small shipments in the 500- to 1,000-lb range. In a typical five-day week, for example, of all shipments from Syracuse in Middle Atlantic Territory, 59% moved out on a basis of minimum charges per shipment, 34% were under 2,000 lb, 5.6% were in the 2,000- to 6,000-lb range, 0.7% were over 6,000 lb and 0.7% were the equivalent of carload or truckload lots.

"That was a period in which we had a heavy concentration of small shipments," Mr. Carter says, "but that is not unusual for us. There are not very many distributors that can tie up $35,000 in a carload shipment."

Mr. Carter is definitely railroad minded. "Where an industry is dependent on railroads to bring in raw materials, it is not difficult to be railroad conscious," he says. But as with any other traffic man, his traffic moves by the modes offering the most advantageous rates and service.

Although Syracuse China ships a greater percentage of its products by rail than other companies in its field, rail is not the most advantageous mode for every shipment.

In 1954 and 1955, spot checks showed that approximately 64% of Syracuse China shipments were moving by rail. In 1959, rail got 35% with another 14% going to carloading companies (which included rail movements). In 1960, 33% went by rail and another 16.3% by carloading companies.

The problem, as Mr. Carter sees it, is that railroads do not seem to have made up their minds that they want small shipments. Rail service, he says, is poorer than trucks. As an example, he cities shipments to Dayton and Columbus, Ohio from Syracuse. Trucks will offer delivery in 24 to 36 hours. Rails can't guarantee delivery in three days, unless the shipper fills a merchandise car every day.

Under the present set-up, by which the consignee of china shipments pays the freight and specifies the routing, rail service has to be the best obtainable to be sure of getting the business. "I'm hoping for the day we can pay the freight and control the routing," Mr. Carter says. "I think we can save some money."

In one area, "pooling transportation," Syracuse China has been able to cut transportation costs drastically, in some cases almost in half. "It is being employed to a small extent now," Mr. Carter says, "but it offers vast possibilities for the future, with appreciable savings to customers."

Where the volume of business warrants, Syracuse China arranges long distance hauls by carload. Many different orders are included in a carload, which is shipped to a central destination, unloaded, and distributed by truck to individual destinations in the area.

"For example," Mr. Carter says, "recently we shipped a carload of Syracuse China to San Francisco. The total weight was 44,289 lb. Part of the load was left off at Phoenix; the bulk of the load was delivered in San Francisco; the balance of it was transferred on to Honolulu.

"The rate to San Francisco per 100 lb by this carload method is $2.61. If we had less than a carload (minimum 40,000), the rate would be $5.59. This particular carload contained orders ranging from 22 lb to 6,250 lb. Thus we saved several customers an appreciable sum in freight charges."

A similar load shipped last month to San Francisco included orders to be unloaded en route in Phoenix and Los Angeles. "It costs Syracuse China money to set these loads up," Mr. Carter says, "but it saves money in the long run." The biggest limitation to further pooling, though, is the impossibility, in the competitive china field,

(*Continued on page 27*)

Small Shipments: A Railroad Viewpoint

Because Syracuse China's main plants are switched by the New York Central, we asked NYC vice president, marketing A. E. Baylis to comment on some of the points Mr. Carter raises.

"New York Central has recognized," Mr. Baylis said, "that the handling of small shipments, particularly LCL, has become increasingly expensive through the now outmoded freight-house method of sorting, handling and loading." For this reason, New York Central has embarked on a program of expanding its Flexi-Van and container service. "This project has not been completed," Mr. Baylis added, "due to the necessity of obtaining broader highway operating rights and eliminating certain prohibitions now in effect. However, our service problems must be improved, and we're taking steps to do this as fast as possible."

Mr. Baylis commented that Syracuse China, like many other manufacturers, faced the problem of "dumping" of foreign merchandise because of policies beyond the control of either the shipper or the carrier. "We're analyzing the competitive rate situation," he added, "to see if there is enough leeway to give Syracuse China the relief they need."

The piggyback situation is changing fast, Mr. Baylis noted. More points covered by piggyback are being added every week, and with piggyback shipments doubling, new points will continue to be added. Interchangeability between carriers is also improving, Mr. Baylis pointed out, and should continue to do so.

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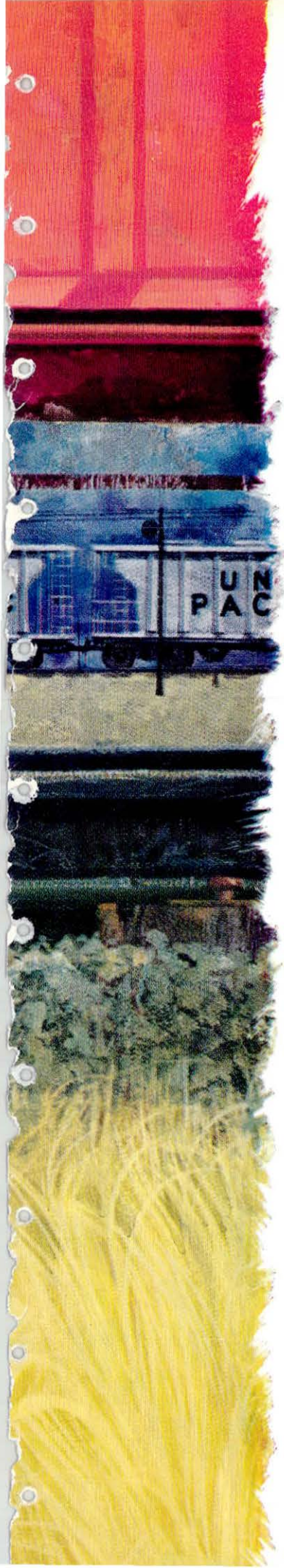
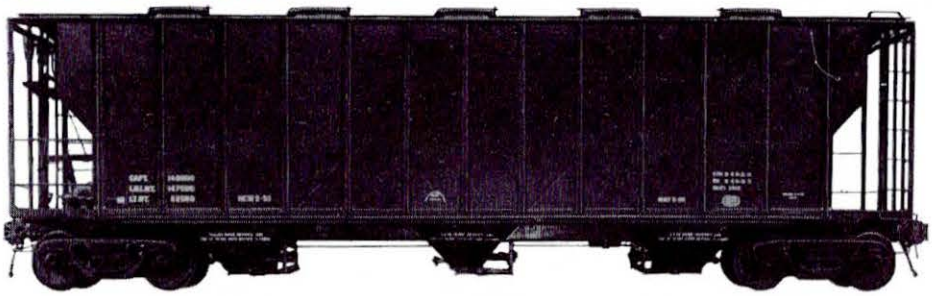


CH-3500 PRODUCTION DESIGN COVERED HOPPER CAR



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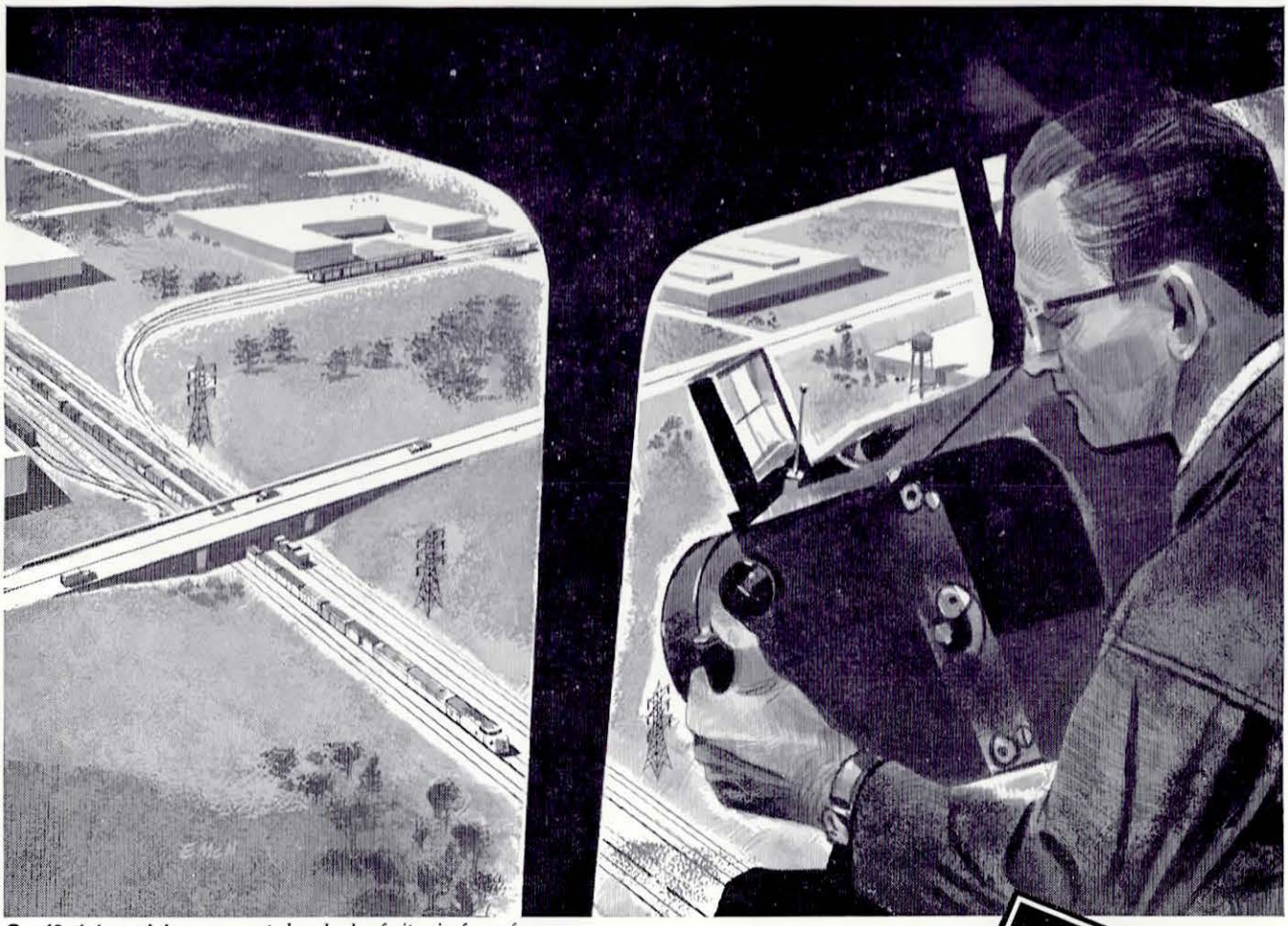

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Write, visit, or call our idea-center to save miles of travel and hours of time. Write to: Mr. S. J. Cooley, Director, Industrial and Real Estate Development, The Milwaukee Road, 286 Union Station Bldg., Chicago 6, Illinois. Phone: CEntral 6-7600.

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CHINA MAKER NEEDS LOW RATES (*Continued from page 23*)

of pooling shipments to competing distributors; any pooling has to be in orders consigned to a single distributor (who may have outlets in several locations).

Imported china is a strong competitor, particularly for household use. (About 90% of household china is imported.) Here, rates have a direct bearing on how effectively domestic producers can compete. Imported china comes chiefly from Japan.

Domestic china manufacturers have a rate case pending now trying to get lower rates for china moving westbound from New York State. The rates now in effect are too high, Syracuse China says, because they are much higher than for imported china moving eastbound from Vancouver, B.C., and other western ports, to the midwest. The situation came about because roads that had little eastbound china put in a rate designed to get the business, while roads moving china westbound (since they didn't benefit from the eastbound rates) were reluctant to cut their own rates on business they already had.

In a similar situation, when one of the lines put in a low rate for Japanese china from the Atlantic Coast to Chicago (as part of its campaign to make rates that would be competitive with Seaway rates), Syracuse China protested that the railroad's rate from Syracuse to Chicago was higher than the Japanese china rates from New York to Chicago. In this case, Syracuse China was able to obtain a reduction.

Mr. Carter is opposed to private carriage. It may be cheaper temporarily, he says, but "economically, in the long run, I don't think it is in the best interests of the country—or of us."

"Users need efficient transportation systems," he says, "and a prosperous free enterprise common carrier system cannot be available if everyone is trying to haul his own goods."

All of Syracuse China's outbound traffic is by a common carrier, and almost all inbound. The exception is shipping cartons, which are brought in by private carrier—contract carrier. This formerly came in by box car from a plant in Pennsylvania. Syracuse China had to maintain a special receiving platform to unload it, which is not needed now that it comes by truck. "This flexibility is very important to us," Mr. Carter points out, "and the rate is better."

With the high rates already in effect and increases proposed, Mr. Carter concedes that "it makes us wonder what there is in private carriage that we should be looking over." With trucks revising their rate structure upward and railroads unable to provide dependable small shipment service, Mr. Carter thinks a "common carrier to take care of small shipments" is badly needed. He's interested in REA Express moves in this direction.

He mentions a recent order from Buckley, W.Va., marked "Rush." The shipment weighed 50 lb. The rail rate was $4, express $5.50 (since raised to $5.70), and truck $6.15. Because the customer had specified "Rush," the shipment went by truck, but Mr. Carter thinks the $6.15 rate ate up most of the customer's profit on the china.

Movement of china benefits from an REA commodity tariff, Mr. Carter says, and will benefit further following current motor carrier increases. The breaking point between express and truck shipments was 45 lb, but with motor carrier increases, it's up to 55 lb.

"The express company is moving in the right direction and the motor carriers are showing a lack of interest in our minimum shipment," Mr. Carter says, adding: "There is money in the small shipment business."

For proof, Mr. Carter cites United Parcel Service, an intrastate operation in New York that handles most of Syracuse China's small packages within the state. UPS doesn't handle anything except small shipments," Mr. Carter says. "They give overnight delivery to New York, so we use them when we come into their limitations, 50-lb limit per package and 100-lb per shipment."

Syracuse China uses a variety of modes of transportation. "Depending on the size of load and facilities for getting to its destination," Mr. Carter says, "we use truck, box car, freight forwarder, Parcel Post, Railway Express, air services, Flexi-Van and trailer-on-flat-car." Mr. Carter is enthusiastic about the growth of piggyback. With piggyback rates competitive with truck, there is an increased use of piggback. Syracuse China would use piggyback more often, Mr. Carter says, if it were available to more points. Syracuse ships a substantial volume to the Washington and Philadelphia areas, Mr. Carter points out as an example. This moves by truck, although it might move by rail if piggyback were available.

Service and rates are the main considerations in determining how Syracuse China shipments are to move. Damage is not a problem with any mode, Mr. Carter says, except Parcel Post. "We've got a good system of packing," he says, "but I don't know anybody who can pack china for Parcel Post."

'Definitely Railroad Minded'

"There is money in the small shipment business" says W. S. Carter, director of transportation for Syracuse China Corp. And, after 38 years with the country's largest china maker, Bill Carter (left), should be in a position to know.

He's also in a position to say, from the shipper's point of view, how transportation companies should set about making money in small shipments. One thing he says firmly: Private carriage is not the answer to the small shipper's needs.

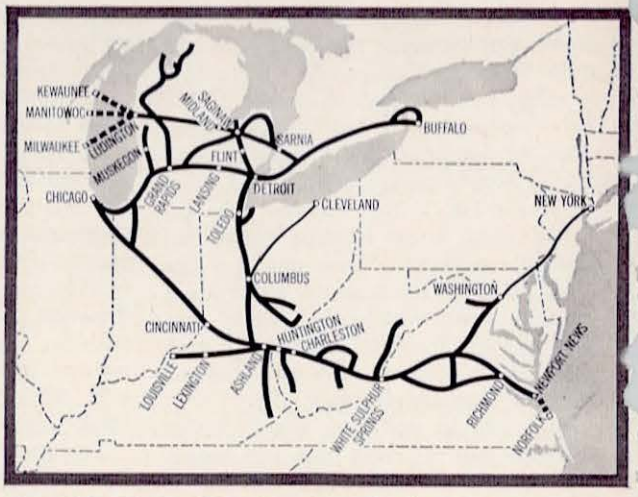
Mr. Carter is a native of Salina, N.Y., near the present location of Syracuse China's Court Plant. He is a graduate of Syracuse University, with a B.S. degree in Forestry. (Among his hobbies he lists "most anything relating to Adirondack or similar close-to-Mother-Nature activity," as well as tinkering in his home workshop and committee work in connection with traffic groups.)

Mr. Carter's family includes two daughters and five grandchildren.

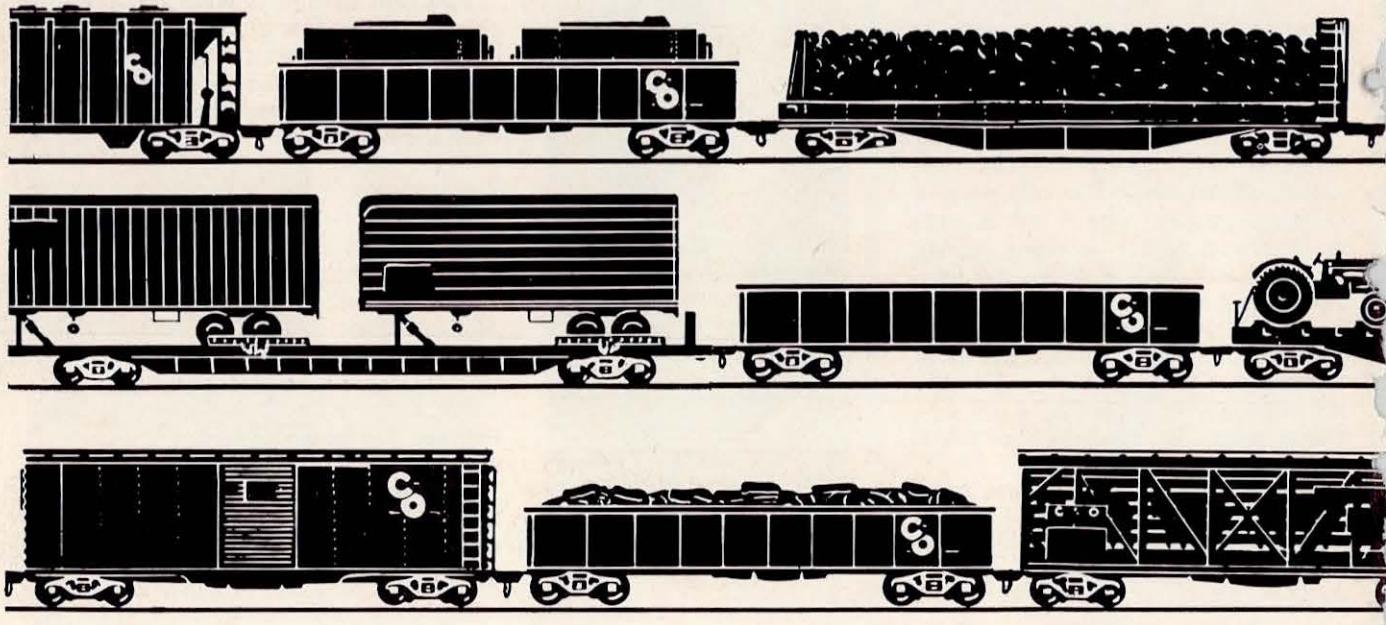
Perhaps as good a summary as any comes from New York Central's Division Freight Sales Manager George Harrington, who calls Mr. Carter: "very nice to do business with; he lets us know what he needs."

Chessie's special-purpose
better protection, faster

Chessie's wide range of special-purpose cars includes insulated Compartmentizers (above), Damage-Free cars and Quick-Loaders, covered hoppers and hooded gondolas.



Chessie's 5,100-mile network serves the industrial corridor of America...offers nation-wide service through direct connection with other leading railroads.

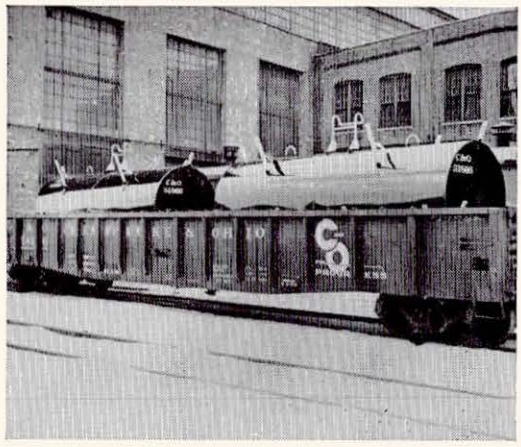


cars give you handling, bigger loads!

Development pioneer and owner of one of the largest fleets of specialized equipment, Chesapeake and Ohio Railway continues its acquisition of special cars for the special needs of its customers. Today, one out of every five of Chessie's nearly 40,000 modern merchandise freight cars is especially designed or equipped. They include a wide variety of tailored-to-use boxcars, gondolas, hoppers and flat cars ... all offering important transportation savings.

When your raw materials, components or commodities find application in C&O special-purpose cars, you can benefit from easier, faster loading and unloading ... better protection ... more compact shipments ... reduced dunnage ... greater capacity loads. And, in *any* car on The Chessie Route, your shipment is under the constant surveillance of CLIC, Car Location Information Center. This miraculous combination of electronic tape, teletype and alert people furnishes a dependable up-to-the-minute report on your car.

Your resourceful C&O representative will welcome an opportunity to prove the advantages of shipping via The Chessie Route.

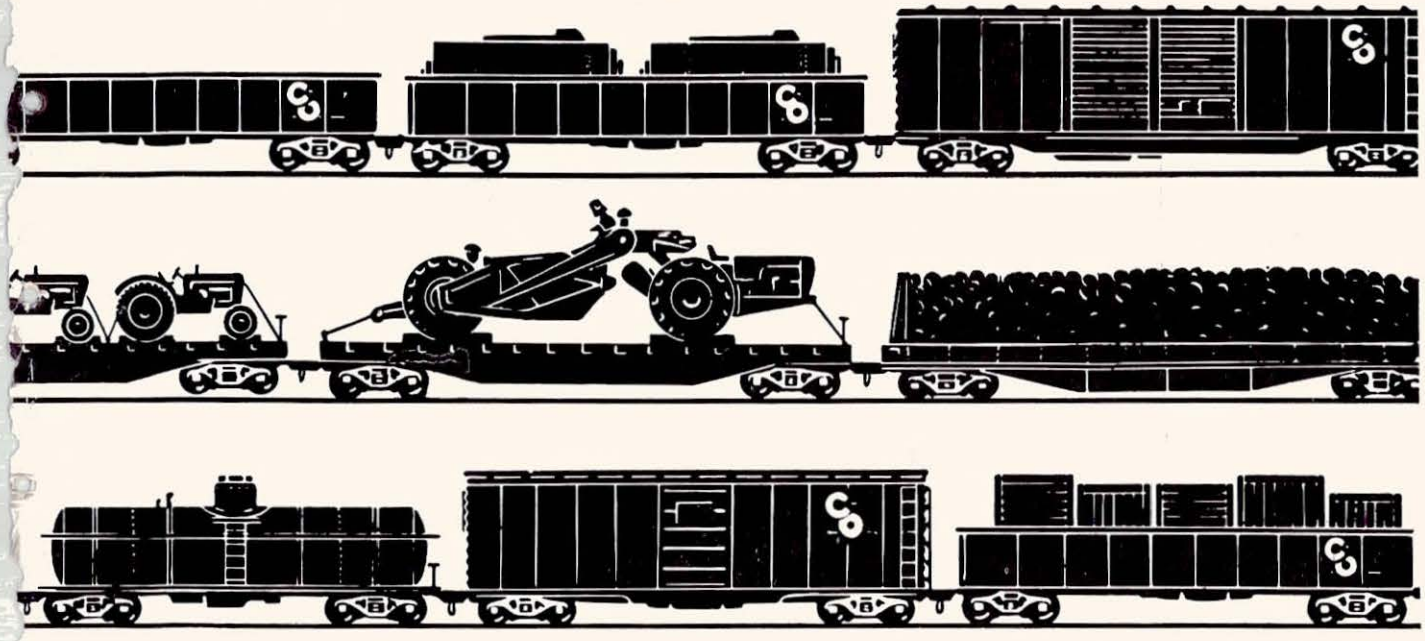


This hooded gondola protects coiled steel from weather; is fitted with special cradle structure which eliminates need for dunnage, facilitates loading and unloading.

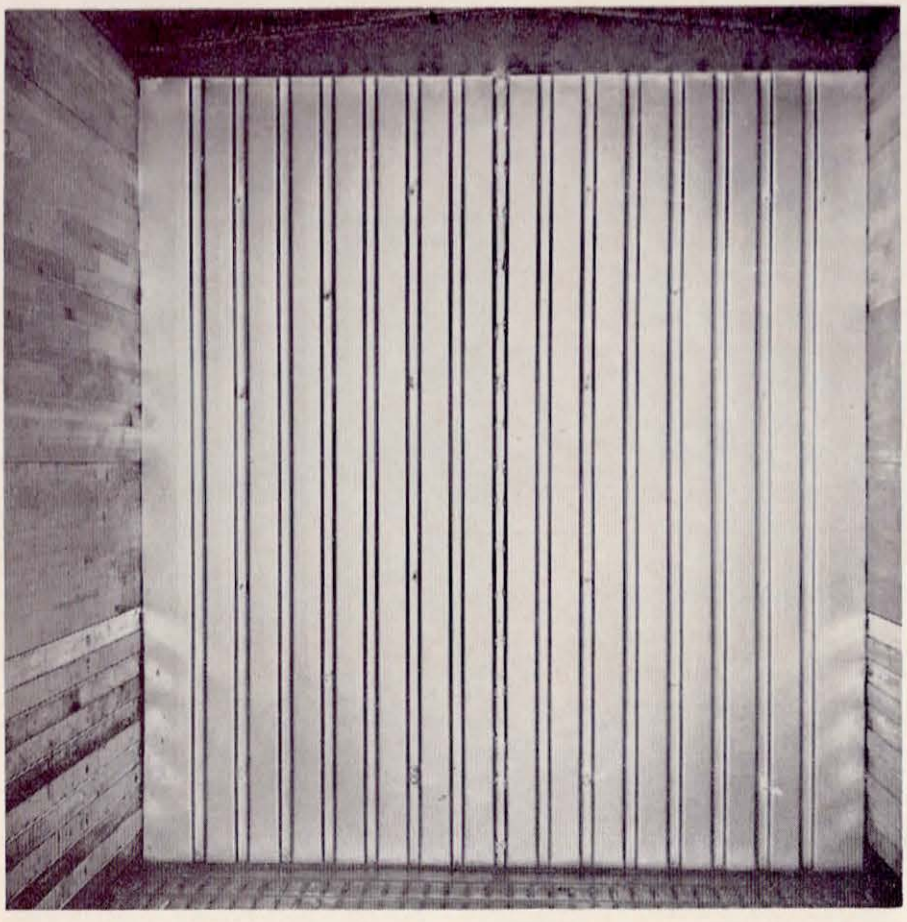
Chesapeake and Ohio Railway

TERMINAL TOWER, CLEVELAND 1, OHIO

Outstandability in Transportation



NP Cars Get Steel End Linings



The Northern Pacific expects new all-steel end linings to last the life of 500 box cars in which they are being installed. Developed and produced by National Steel Corporation, the end linings of columbium-treated steel are also expected to require almost no maintenance and repairs.

According to J. A. Cannon, NP's general mechanical superintendent, the basic reason for specifying the all-steel panels was because of greater shipper use of motorized and mechanized loading and unloading equipment. He said: "A rising burden of car interior maintenance and repair expense over recent years has been in almost direct ratio to the growing use of mechanized lift-truck equipment."

By use of 0.120-in. columbium steel with 50,000 psi minimum yield strength, the Stran-Steel panels weigh 1,045 lb per car set, or 525 lb less than equivalent conventional carbon steel panels. Installation costs are reduced because the steel panels are welded directly to the corrugated car ends.

The 500 50-ft cars are being produced at the road's Brainerd, Minn. shops. They are intended for general purpose use. All are equipped with 15-ft doors; all but 50 have Stran-Steel nailable steel floors.

LINING INSTALLATION begins with placing of temporary hooks (left) from which air ram is mounted to hold panels against car end; template over the panel (center) indicates exact location of ten welding points on car end; pierce plug welding technique (right) is used for securing panel in its final location.

Will Canada's Truckers Be Driven from Long-Haul Field?

Canadian truckers can look for a tightening of controls over their rates and services at the federal level, according to F. T. Graves, traffic manager, Motorways (Ontario) Ltd. Speaking on the role of transportation in total distribution costs at the CITL's Fifth Annual Traffic and Transportation Conference, Mr. Graves predicted that Canada's Royal Commission on Transportation "may well produce a formula of rates that will remove the trucker from the long-haul field." He said that trucks cannot compete "after a certain number of miles have been exceeded" and expects that if the commission decides subsidies are necessary it will "propose an allocation that will reimburse all modes of transportation that are or may be involved in the area of application."

Mr. Graves "went out on a limb" to predict that the Royal Commission would also:

- Recommend that control be instituted, at the federal level if necessary, on all inter-provincial trucking operations on both rates and services wherever either or both are not presently enforced.
- Recommend the removal of certain restrictions presently imposed on the railways where the removal of such restrictions will not present a hardship to the public.
- Provide for a form of appeal that can be placed with a common authority by other modes of transportation if the railroads are given greater freedom in rate-making.
- Allow for similar appeals by the railroads in matters affecting their interests.

"Rate control [over Canadian trucking] is desirable," said Mr. Graves, "because of the unsettled conditions currently prevailing. It will help uphold the confidence required for continuing investment and growth, it would offer some hope for reasonable profit and it would assure the shipper of a stable level of rates that would permit him to accurately forecast . . . costs."

CITL Explores Cost Savers

► The Story at a Glance: CIT League's Toronto conference Feb. 14-16 explored the role of the distribution manager in reducing costs and generating added profits. Key point: Savings in transportation costs must not be nullified by increases in other costs.

A case history in distribution management savings was supplied by Massey-Ferguson Ltd., of Toronto, which began in 1958 to establish a worldwide centralized parts inventory and warehousing distribution system.

The CIT League also heard a plea for closer cooperation between U.S. and Canadian groups, boosted annual membership fees, and elected officers.

Focusing attention on economies to be gained by efficient distribution of goods, the Canadian Industrial Traffic League's Fifth Annual Traffic and Transportation Conference explored areas where the alert distribution manager might reduce costs in his "product pipeline" and generate added profits by using sophisticated distribution methods.

"There is not much point in saving freight charges or material costs if as a result total production costs increase by at least the same amount," said W. J. Rae, manager, transportation and supply, Lever Brothers, Ltd., and moderator of the first session of the three-part conference on reducing distribution costs. Noting the inter-relation of corporate decisions on all areas of operation, Mr. Rae told the conference: "A sales program could be frustrated by changes in shipping procedures which saved transportation costs, by efforts to increase production efficiency, by the purchase of raw material of a slightly different character, by changes in the amount and type of inventory, or the location of that inventory."

R. E. Jones, Jr., vice president, distribution, H. J. Heinz Co., Pittsburgh, said that, in order to meet competition, satisfy customer demands and control costs, "distribution must be cultivated as a system of procedures." Mr. Jones would place the distribution manager on the same level of organization as the heads of other divisions and would charge him with responsibility for the following:

- Transportation.
- Warehousing.
- Materials handling.
- Inventory control.
- Production planning.
- Administration.

Noting that economic success hinges on ability to produce better products at a lower cost than competition, N. H. Penney, comptroller, North American Operations, Massey-Ferguson Ltd., Toronto, said, "We can hardly stay competitive if we are losing half of our potential profit in the process of moving the goods from plant to retail outlet."

Mr. Penney said Massey-Ferguson had "striking evidence of the economies that can be realized from a complete overhaul of facilities, methods and techniques" associated with distribution. Finding that their former distribution system lacked control and adaptability he said that the company took steps in 1958 to establish a worldwide centralized parts inventory and warehousing distribution system.

The new system had three aims: to improve distribution service; improve the profit margin, and achieve global integration of the product pipeline.

The plan, as it was initiated with the North American Operations Unit (one of six Units around the world), established Racine, Wis., as the central inventory and distribution control point for the entire North American continent and located responsibility there for all parts distribution and inventory decision-making.

Branches report disbursements to Racine where electronic computers record sales on an item-by-item basis and signal when and where stocks are in

CIT League Officers for 1961-1962

F. A. AINSWORTH
President

L. T. SMITH
First Vice President

V. G. STROUD
Second Vice President

A. A. LANDRY
Treasurer

short supply, according to Mr. Penney.

Dealer reluctance to stock low-volume items is overcome by a Dealer Directory of all items moving less than 25 units a year. Orders for these items are shipped directly to dealers rather than to a branch warehouse.

Dealer counseling, based on overall distribution patterns, helps prevent over-stocking of parts having small sales potential in individual sales territories.

Communication of distribution data has been streamlined by means of a teletypewriter system linking all offices, parts warehouses and plants in the Operations Unit into a company-controlled communications network.

"In contrast with the former 12-month parts forecast performed by the branches," said Mr. Penney, "we can now make predictions twice monthly of parts needed by each branch."

He listed the following benefits derived by Massey-Ferguson from the overhaul of its distribution system:

- Branch sales offices have been freed of costly administration and can concentrate more on customer service.
- Major cost reductions in parts warehouse space requirements have been achieved by eliminating problems of over-stocking.
- Parts availability had been given priority over factory production of whole goods.

At the second session of the conference—dealing with areas for reducing distribution costs—a panelist gave his prescription for reducing inventory costs: "Have the necessary goods in the right place, in the right amount, at the right time."

A. F. Downey, traffic and export manager, The Glidden Company Ltd., Toronto, said that in American business, "half of the items in (any) line account for less than 4% of the sales. It is the bottom half of the product line that imposes a great deal of the difficulty, expense, and investment on the distribution system. Give particular attention to the items which account for the lesser sales volume but constitute the greatest percentage of your finished product lines."

J. M. Roberts, vice president, traffic, CPR, emphasized the thinking of the entire conference that economies must be sought in all areas of the distribution system rather than merely seeking reductions in transportation rates. "The railways," said Mr. Roberts, "have appreciated for some years the growing importance of distribution rather than transportation costs as such in industrial production costs. We recognize that we require a clearer understanding of the role of inventories, storage and packaging as well as transportation in total distribution costs. In fact it is for this reason we have turned to the concept of providing a complete transportation service rather than only railway service in order to adapt to shippers' new needs and minimize your distribution costs."

During the three business sessions of the CITL's 45th Annual General Meeting at Toronto's Royal York Hotel the League adopted a resolution urging that "all members, wherever possible, route export and import traffic through Canadian ports. . ."

In other action the CITL:

- Heard NITL President R. M. Boyd urge closer cooperation between the Canadian and U. S. groups.
- Elected the following officers for two-year terms: President, F. A. Ainsworth, traffic manager, Husky Oil & Refining, Ltd., Calgary, Alta.; first vice president, L. T. Smith, traffic manager, Kraft Foods, Ltd., Montreal; second vice president, V. G. Stroud, general traffic manager, Duplate Canada, Ltd., Toronto; treasurer, A. A. Landry, traffic manager, General Mills., Inc., Rexdale, Ont.

CN Responds to Shipper Needs

Canadian National is preparing to meet competition with a more flexible organization having increased local authority and responsibility.

"We want to sharpen up our service and solicitation at the points where traffic originates," said CN President Donald R. Gordon, "for rapid and efficient handling of small problems at the local level is the base on which a successful total operation must be built."

Speaking at the Canadian Industrial Traffic League's 45th Annual Dinner, Mr. Gordon said that CN's reorganization began with the integration of responsibility and authority of the Operating and Sales departments. The sales department has become "customer oriented," he said, and will use modern marketing techniques to sell profitably "products the customers want at the price level the customers will be willing to pay."

The idea of total distribution is basic to CN's sales philosophy. "As a transportation company," said Mr. Gordon, "we must begin at the shipper's production line and carry our thinking forward onto his customers' shelves. If we look at only the actual transportation rate we deceive ourselves and make a poor showing in the tough competitive battle for traffic." Whether the need calls for new types of equipment, the use of piggyback or container service or a rate adjustment, CN intends to "be alert and aggressive to do what is necessary to get the business."

Mr. Gordon said that in line with CN's competitive pricing policy they plan further use of incentive rate scales to provide a wide range of alternative minimum rates and intend to relate the rate levels for box car and piggyback service so that the natural advantages of each type of operation are recognized.

"The place for specialized equipment," he said, "is found wherever it has some cost reducing feature that more than compensates for its disadvantages. It is the Sales Department's function to evaluate market demand and if the price level is attractive, special equipment will be made available."

Mr. Gordon told the CITL that the CN plans to enlarge its sales force and to reorient the work of former Operating Department agents so as to place more sales responsibility with these men.

"The proper type of distribution service will become a critical fact of survival for Canadian industry," he said and CN's objective will be to "offer the kind of transportation service that is best suited to public demand both in terms of cost and efficiency."

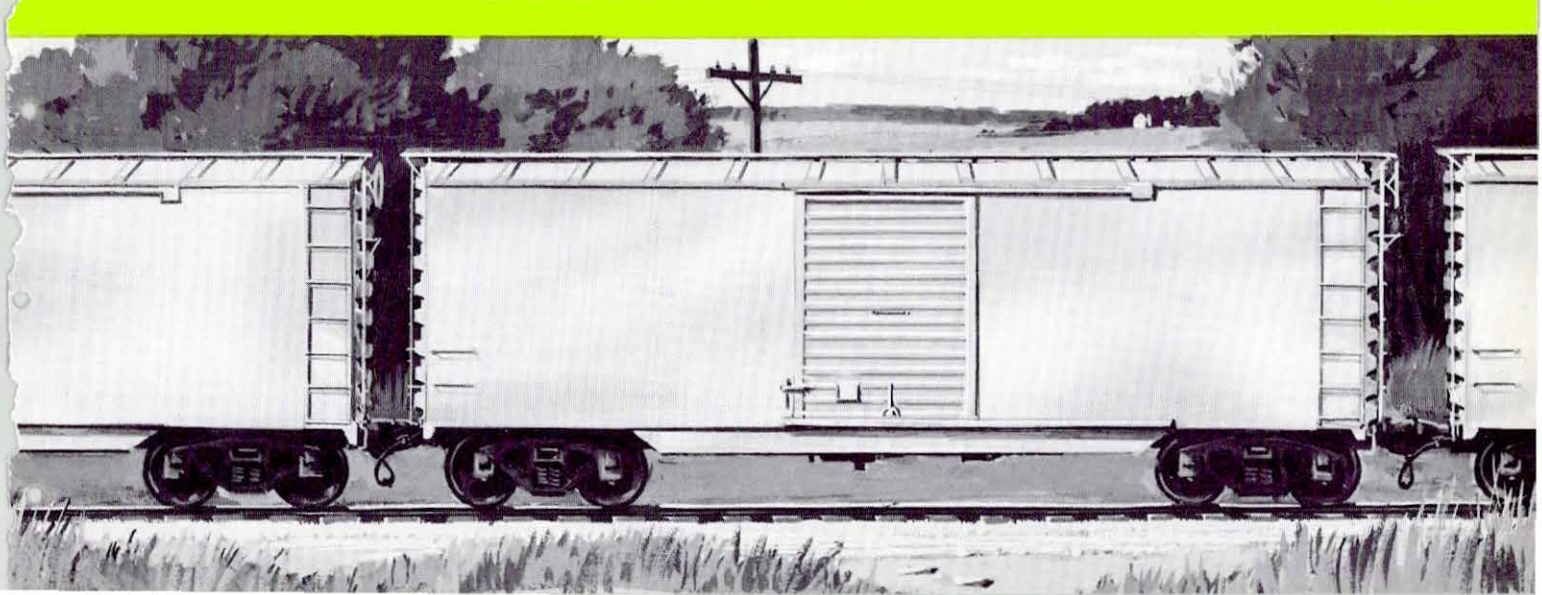
strong, lightweight, rustfree

BOX CAR COMPONENTS

made with Reynolds Aluminum

- reduce operating costs
- cut deadweight for higher payloads
- serve longer with less maintenance

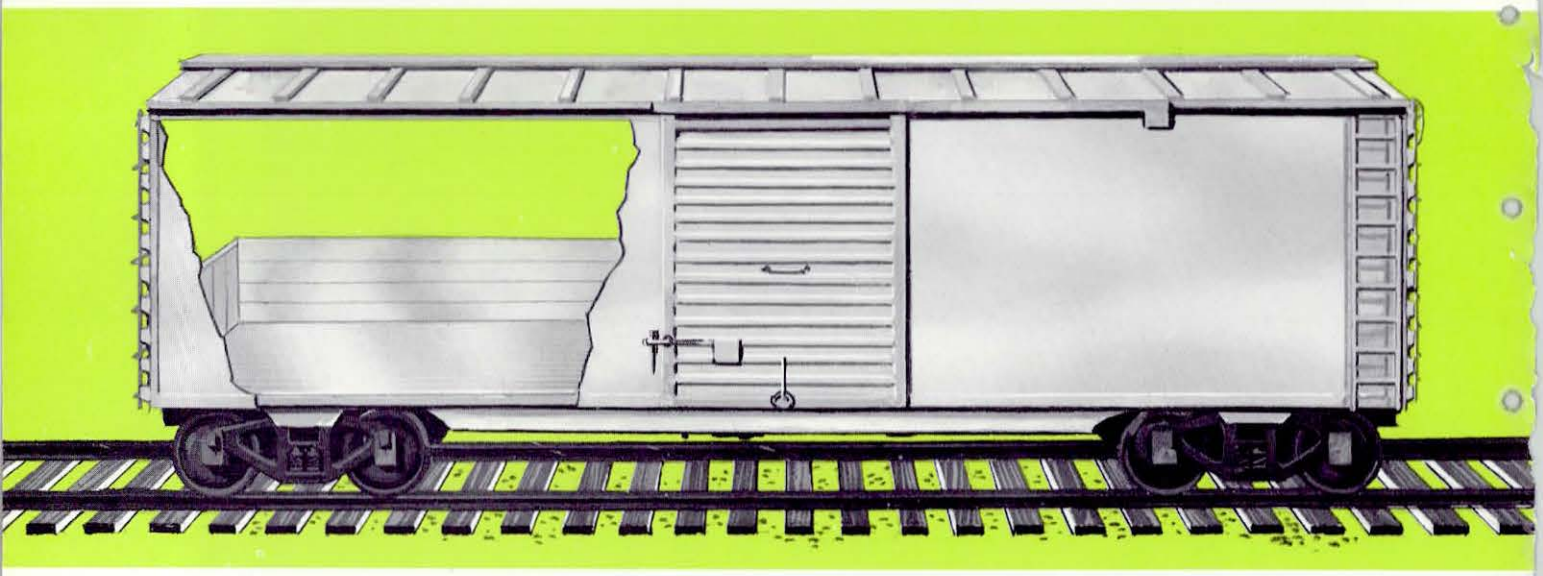
doors...inner-liners...roofs



BOX CAR COMPONENTS

made with Reynolds Aluminum

increase payload... cut costs... extend the life of the car



Doors made of tough, lightweight Reynolds Aluminum have been proven in 15 years of regular service. They're strong enough to take the daily battering that freight car duty gives them, yet they weigh much less than steel doors. For example, an 8 ft. door made with Reynolds Aluminum weighs just 312 lbs., compared to 562 lbs. for an 8 ft. steel door.

One man can operate an aluminum door easily, and because they're lighter, the doors can be opened without "crowbar tactics," reducing chance of damage. Maintenance is less, too: Aluminum won't rust, and it needs no paint to protect it from corrosion. Rugged, cost-cutting aluminum doors are now in service on many leading railroads.

Inner-Liners will upgrade an old freight car and add years to the service life of *any* car. And when the inner-liners are made with tough, rustfree Reynolds Aluminum, the benefits are even greater. Weight savings, for instance. Aluminum liners weigh approximately one-third as much as steel.

Needing virtually no maintenance and never rusting, aluminum liners will normally last the life of the car. They'll resist corrosion without painting or coating, and take all the pounding that loading operations can give. Available in any height, in $\frac{1}{8}$ or $\frac{1}{4}$-in. thickness, lightweight Reynolds Aluminum Inner-Liners are installed quickly, and can be reinstalled after the original car has been scrapped.

Roofs made with Reynolds Aluminum can reduce dead weight and maintenance on box cars . . . and have done so for years on Canadian railroads. One-third the weight of steel, aluminum will never rust, and needs no protective painting.

An aluminum roof is an excellent heat-reflector, helping to keep car interiors cooler, for better freight protection in summer. And when the car is ready to be scrapped, aluminum offers another advantage. Its high scrap value can return an important bonus on the original investment.

Write for details on Reynolds Aluminum for railroads . . . see next page.

Freight cars *can* be built to carry more payload and to cut operating costs. And more and more owners and operators are having them built that way, built with aluminum components—aluminum doors, inner-liners, and roofs.

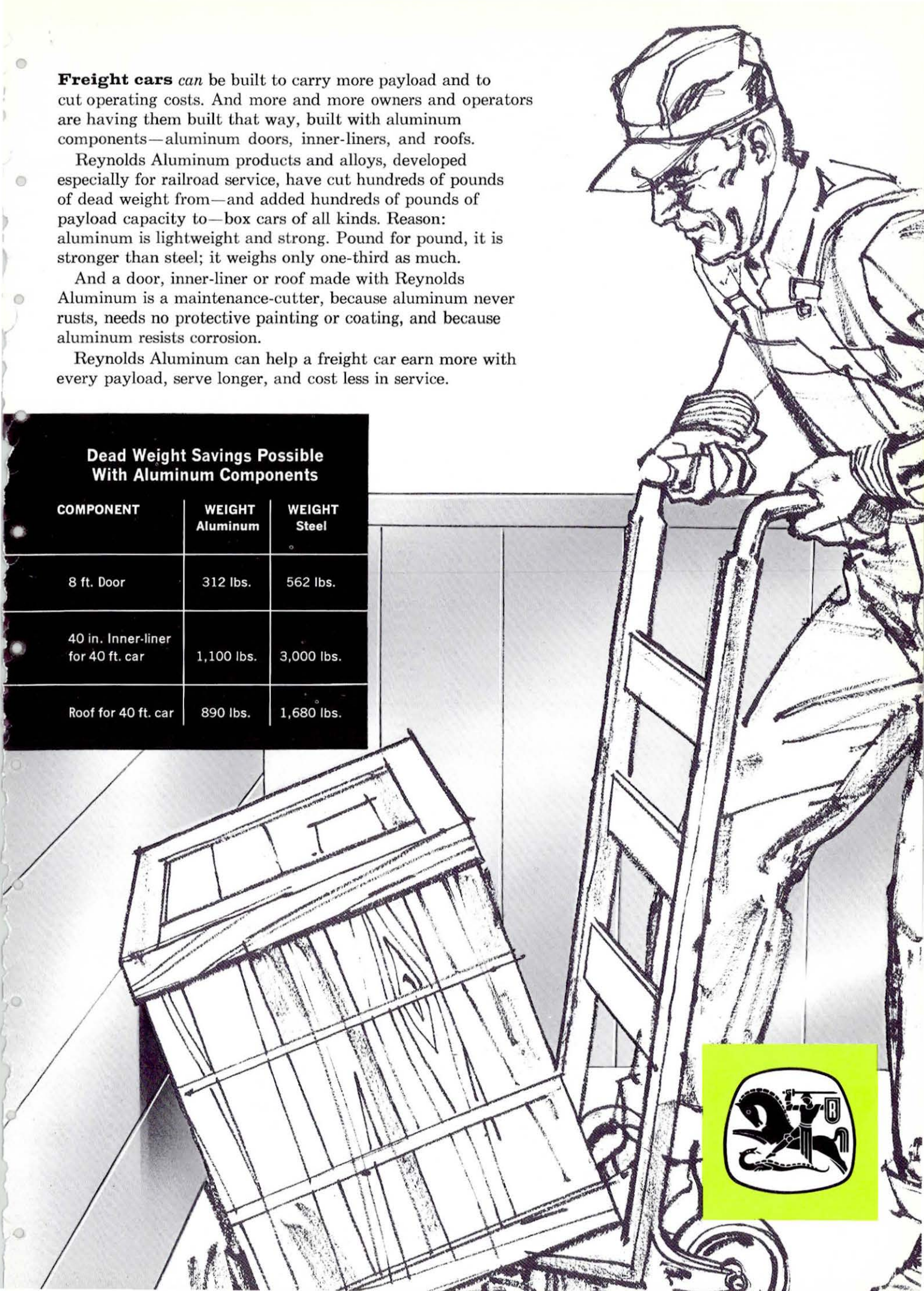
Reynolds Aluminum products and alloys, developed especially for railroad service, have cut hundreds of pounds of dead weight from—and added hundreds of pounds of payload capacity to—box cars of all kinds. Reason: aluminum is lightweight and strong. Pound for pound, it is stronger than steel; it weighs only one-third as much.

And a door, inner-liner or roof made with Reynolds Aluminum is a maintenance-cutter, because aluminum never rusts, needs no protective painting or coating, and because aluminum resists corrosion.

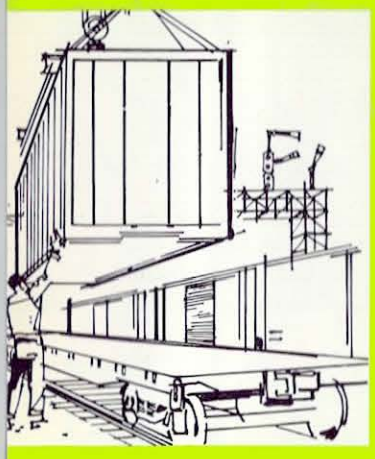
Reynolds Aluminum can help a freight car earn more with every payload, serve longer, and cost less in service.

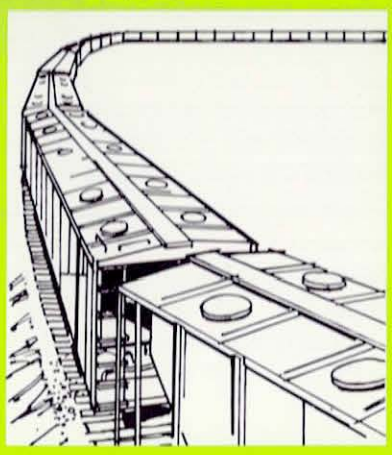
Dead Weight Savings Possible With Aluminum Components

COMPONENT	WEIGHT Aluminum	WEIGHT Steel
8 ft. Door	312 lbs.	562 lbs.
40 in. Inner-liner for 40 ft. car	1,100 lbs.	3,000 lbs.
Roof for 40 ft. car	890 lbs.	1,680 lbs.



Source for Aluminum and Experience for the Railroad Industry: Reynolds





It is one thing to produce aluminum, and another to develop alloys and products to meet specific railroad problems. Reynolds does both —and that's the reason the Reynolds Metals Company is a leading supplier of aluminum to the rail industry.

Reynolds knows aluminum, and it knows the proper aluminum for railroad applications. For years it has worked with the railroad industry to develop aluminum products specifically tailored to reduce operating and maintenance costs, to do a better job for shippers, to provide better freight protection, to increase revenue for operators.

Aluminum box car components are just part of the story. Reynolds Aluminum is doing the same job to improve service and cut costs in other rail equipment, as well:

Aluminum hopper and gondola cars, refrigerator car flooring and doors, crossmembers, bridge plates, electrical equipment and conductors, containers, crossbuck and operating signs, chain link fencing, and utility buildings.

For specialized technical help on any application of aluminum for railroad use, its design or fabrication, contact your local Reynolds office. Or write today to *Reynolds Metals Company, P.O. Box 2346-TM, Richmond 18, Virginia.*

REYNOLDS ALUMINUM

Watch Reynolds new TV Show "Harrigan & Son", Fridays; also "All Star Golf", Saturdays—ABC-TV.

LEADER TO PROGRESS
RPI
MEMBER

Commission Gets Fireman Issue

► **The Story at a Glance: The railroads last week advised the Presidential Railroad Commission that they are anxious to work out ways of eliminating diesel firemen from road freight and yard service "without undue, unreasonable or unnecessary hardship" to the employees involved. The advice came from Howard Neitzert, management's chief counsel in the so-called "featherbedding" case, which is the commission's assignment.**

Mr. Neitzert did not follow through with specific proposals, but he assured the commission that management would welcome its advice. He also said management is not thinking of the problem as primarily one of providing for displaced employees—it is hoping for union cooperation on arrangements for transferring affected firemen from their "redundant and unneeded" jobs to other positions, even to other railroads, where they can make a "real contribution."

The Presidential Railroad Commission, appointed by former President Eisenhower to study the dispute over working rules applicable to operating employees, is now receiving management's presentation in support of the proposal that it be allowed to determine when firemen should be used on diesels and other non-steam locomotives in freight and yard service.

The presentation got under way at public hearings in Washington last week, and will continue at this week's sessions, scheduled to begin Feb. 28. This is in accord with Railroad Counsel Neitzert's plan to deal first with the fireman issue because it accounts for more than one-third of the $500 million which the railroads claim is the annual cost of "featherbedding." Mr. Neitzert has expressed his hope that the commission might dispose of the fireman issue no later than the middle of April.

This procedure is opposed by unions representing the operating employees. Their counsel, Harold C. Heiss, has warned that "to separate the fireman controversy would impede rather than advance the work of the commission." Mr. Heiss went on to say that this issue "is highly controversial, charged with much tension," and that a report on it prior to the conclusion of the commission's work "would prejudice the effectiveness of the commission on the remaining issues."

While it permitted Mr. Neitzert to proceed in his own way, the commission has not indicated whether or not it would deal with the fireman issue separately.

Another setback for the "ops" has been the continuance of public hearings. Evidently, the commission thinks it settled that issue when it reversed a tentative decision to hold closed meetings and threw its initial sessions open to the public and press. Mr. Heiss has made it clear that the unions would prefer to have the commission abandon the public-hearing approach and acquire its information "from its own studies assisted by technical experts familiar with railroad wages and wage-structure problems." Mr. Heiss' opposition to the public hearings was pointed up by his failure to cross-examine management witnesses.

Studies Mr. Heiss has in mind would be made by the commission's staff, and by the commission in "on-the-scene observations of railroad operations, such as work assignments, runs and job consists." He also has in mind studies of mergers and their impact on employees, and of "the progress of labor relations in other industries."

While continuing the public hearings, the commission has directed its staff to arrange for three studies. They will deal with manpower, seniority, and experience with the so-called Washington Agreement and other employee-protection arrangements.

The commission was still functioning without a chairman last week, and Vice Chairman Russell A. Smith presided at the hearings. Mr. Smith, associate dean of the University of Michigan Law School, is one of the 15-man board's public members. Former Chairman James P. Mitchell, who resigned to run for governor of New Jersey, was also one of five public members of the commission which also has five representatives of management and five representatives of the "ops." President Kennedy said he would appoint a successor to Chairman Mitchell as soon as the railroads and unions submitted a joint recommendation.

Opening his case on the fireman issue, Railroad Counsel Neitzert said the carriers did not propose to labor the point that fireman are not needed on diesels and other non-steam locomotives. He said that "all elements in the railroad industry, including firemen themselves," are on record as agreeing that firemen are not needed. And he cited agreements and elimination of firemen on freight and yard diesels which the Brotherhood of Locomotive Firemen & Enginemen have signed with Canadian railroads.

Mr. Neitzert assumed that the commission, too, would find that firemen are not needed—but he nevertheless offered considerable evidence on the point. Yet he planned to take "more time" on the "serious question" of what should be done to protect firemen whose jobs are abolished.

The railroad counsel recalled that, in November 1959, management emphasized in a letter to the BLF&E that it was willing to give full consideration to this problem. It was thought at the time that the letter might bring a counterproposal from the union, but it brought only a brief acknowledgment. And counterproposals subsequently filed did not include a demand to take care of displaced firemen.

Mr. Neitzert went on to discuss various labor-protection arrangements now in effect, including the attrition formula adopted in Canada as part of the plan to eliminate diesel firemen. His statement, which did not recommend adoption of any plan discussed, was made so the commission would know management is interested in "the welfare of the men," not only in eliminating positions.

Evidence offered by Mr. Neitzert included the testimony of the Illinois Central's director of personnel, E. H. Hallmann. Mr. Hallmann had an exhibit showing results of on-the-engine observations of duties performed by firemen on other-than-steam locomotives.

The exhibit, as the witness interpreted it, indicated that a relatively small part of the fireman's time (only about 5%) is spent away from his position in the cab, making routine inspections, answering alarms, etc. Mr. Hallmann also testified that none of these chores involved work that could not be done conveniently by other employees on the locomotive.

BLF&E President H. E. Gilbert issued a press release on the Hallmann presentation, saying he was "pleasantly surprised" to note that the carriers "agree with us, at least statistically, on some major points." The BLF&E president went on to say that while he "welcomed the railroads' admission that firemen perform useful mechanical duties," he was "somewhat amazed because railroad publicists have attempted to misrepresent the diesel locomotive as a completely automated machine, and locomotive firemen unqualified to take necessary action."

At the same time, Mr. Gilbert assailed the study as one "based on supervisory, unilateral, and biased reports." He also said it "ignored the safety lookout duty of the fireman which we believe is of prime importance in judging

his contribution to modern railroading." A commission study of safety in rail operations "would fill this void," Mr. Gilbert added.

Another management witness was Theodore Short, chairman of the labor relations committee of the Association of Western Railways. He traced the history of the job-protection rules which, he said, make locomotive firemen on most railroads "the beneficiaries of a promise that is unique in railroad labor relations."

The firemen, Mr. Short explained, have been assured by written contract (most of them for about 25 years) that "practitioners of their craft will be employed on all types of power designated in the contract as a 'locomotive.' " This assurance "is not qualified by any reference to the need or lack of need for the firemen's services," Mr. Short continued, adding:

"No other railroad operating craft enjoys the protection of such a promise. If railroad yards could be completely automated, switchmen would disappear, but if anything falling within the definition of 'locomotives' were still used, a fireman would be there, riding on it. If trains could be operated without engineers, engineers' positions would evaporate, for engineers' positions exist by necessity, not by contract. In such a case, however, the engineers would not be out on the street. Exercising their seniority, they would move over to the left side of the cab and become 'helpers' to their former selves, and it would be the junior firemen who would be pounding the pavement."

One of the exhibits offered by Mr. Neitzert was a study of "featherbedding" which was made for management by Jules Backman, research professor of economics at New York University. Mr. Neitzert said Mr. Backman would be available as a witness whenever the commission or Mr. Heiss desired to examine him on the study.

The study reached a general conclusion that the real victim of "featherbedding" is the consuming public. Mr. Backman also warned against the possibility of government subsidy or government ownership for railroads if "make-work" practices "continue to exact more than $600 million annually from the carriers." Such developments would shift the burden of "unnecessary workers and wasteful work practices" to all taxpayers, the NYU professor pointed out.

He also said railroad employees themselves are adversely affected by "make-work" practices. He explained that such practices keep rates up and cause losses of traffic which, in turn, cause "loss of work opportunities for the many as a result of preservation of jobs for the few." Mr. Backman also found that "featherbedding" impairs railroad service, because the "make-work" rules "affect the rate at which railroad equipment can be used and the speed with which it is moved."

The NYU professor pointed out, too, that while "featherbed-inflated" labor costs may be absorbed by growth industries, this alternative is not available in industries which are not expanding rapidly. He added that job opportunities are "most certain to be curtailed" as a result of "featherbedding" in industries such as the railroads which are undergoing a relative decline in position."

Railroading After Hours with Jim Lyne

ALERT PROF. CUNNINGHAM—In quoting here from Ecclesiastes (Feb. 13, p. 26), I mislocated the "eat, drink and be merry" phrase at 8:9 instead of 8:15. Professor W. J. Cunningham—the distinguished transportation teacher, now living in retirement at Freedom, N.H.—has corrected me; and I'm happy to have at least one reader who is alert on references to Holy Writ.

The Professor had some generous words to say about Railway Age. He finds recent issues "especially interesting and noteworthy"; and he's proud that two of our editors (Walter Taft and Gardner Hudson) are former students of his.

TWO ARROWS, ONE BULL'S-EYE—Representatives of railroads and other forms of transportation ought to be authorized to confer with each other on pricing policy, just as it is now legal under the "5-A agreement" for railroad representatives to talk to each other about these things. So NKP Traffic VP John Fitzpatrick suggests in the December issue of "Cross-Tie Bulletin."

It's significant to note that the Doyle report on national transportation policy (p. 443) recommends that "experimentation with intermodal rate conferences should be tried, with suitable safeguards."

U NAME IT, RRs HAVE IT—I occasionally find innocent amusement in running through the Uniform Freight Classification—with my eye open for unusual or nostalgic items. For example: Barber poles—other than revolving; Bats, cricket; Boards, undertakers' cooling; Tugboats, set-up, loose, or in packages; Boxes, tobacco, plug; Brakes, horse-drawn vehicles; Cue Bridges, pool; Bridle Blind Blanks; Busts, NOIBN; Devices, gambling; Crochet hooks; Creepers, ice, boot or shoe.

Then there are: Charlotte Russe cups; Cradles, grain; Corset laces; Chatauqua Outfits or Gospel Tents; Decoy Birds; Anvil tools, blacksmiths'; Air, compressed. And so on. Do you have any favorites?

As a veteran traffic officer told me—these terms are all real. If they weren't shipped at some time or another, they'd never have got on the list.

CONSERVATIVE DRAGON—I can't get over wondering about the paradox—that the tidal wave of socialization sweeping over transportation is being put over—not by professed socialists, but by fellows who claim to be free enterprisers. (I'm referring now to the St. Lawrence Seaway, the toll-free waterways, the federal highway and air transport programs).

Looking around for an answer to this enigma I've just read an enlightening paperback book ("The Conservative Mind," by Russell Kirk). The author traces the development of conservative economic and political ideas over the past couple of hundred years—leading incidentally to the conclusion that many of our alleged conservatives have little understanding of, or loyalty to, the principles they profess. Author Kirk likens these fellows to Fafnir, the dragon of Norse mythology, resting motionless on top of a pile of treasure—and not thinking very much about what is right or wrong.

have inherent deficiencies and would possibly risk the loss of individual direction and purpose of the now existing agencies. However, the inordinate delays, red tape, and petty inconveniences which now exist are a great financial burden on the government, shipping public, and carriers alike. Many of the ills of the transport picture today are directly chargeable to the months and years that it takes to comply with existing law. Cabinet status for transportation should enable administrative duties to be delegated in such a way as to speed up the quasi-judicial functions and thereby stabilize the industry to a greater degree."

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n Distribution Management

very accurate gage. In that instance, the reduced rates were calculated to increase the railroads' 5% share, but still to regain only 35% to 40% of the traffic. This percentage doesn't begin to challenge the long-standing Commission conception of 'fair' market shares. One can only wonder what the answer would have been if the reductions had been calculated to maximize net revenues by capturing 75% or even 100% of the traffic."

Professor Roberts went on to cite the "growing market consciousness of carrier managements. There is far less disposition," he said, "to throw service on the market on a take-it-or-leave-it basis." As evidence, he mentioned a number of recent market research activities by territorial committees and individual roads. "This research delves deeply into the economics of the industry producing the commodity whose rates are under scrutiny," Dr. Roberts said, adding, "It studies competitive relationships, pricing structures and marketing problems, explicitly recognizing the relevance of total distribution systems for the selection and purchase of transport services."

Professor Roberts, while admitting that such research is important both as a symbol of a changing attitude of carrier managements and for specific rate reductions that are produced, suggested that "harvesting the fruits of a commodity-by-commodity approach will be painfully slow" at a time when the railroad industry has "a clear need for a systematic, broader-scale attack on rate modernization on the basis of generalizations regarding transport market behavior as a supplement to the laborious commodity-by-commodity approach. . . .

"Rates, based on commodity values and borne of railroad monopoly" are "most patently obsolete, particularly where proprietary truck transportation is a real alternative," Professor Roberts said.

"It should be noted," he continued, "that rates need not decrease absolutely to make transport service a better bargain. To an important extent, the new competitiveness is reflected in rates that are relatively but not necessarily absolutely lower. This relative cheapening occurs when service quality increases more than rates."

Railroad incentive rates are a form of reduction that merits special attention, Professor Roberts said, because in achieving the economies of full vehicle loading, they tend to affect the overall distribution system. "Substantially larger shipments," Professor Roberts noted, "are very apt to occasion heavier inventory costs at the producing plant, in transit and in the hands of the customers. Such a shift not only spells an alteration in inventory policy, but as a secondary effect, may well lead to heavier warehousing requirements. The ultimate effect is a distribution system characterized by more fixed costs and a loss of flexibility which reverses the trends of the past several decades. Carriers must take account of shipper resistance to this development in assessing the traffic potential of incentive rates."

After describing the need for coordinated transportation, Dr. Roberts made three points in summary. "The wider the range of price and quality choices provided by growing price competition, marketing consciousness of carriers and by the coordination and integration of transport supply," he said, "the greater the challenge to traffic and distribution managers. The greater the flexibility provided by alternative choices, the greater the pressure for analytical refinement.

"On the other hand, the more refined the distribution analyses of shippers, the greater the challenge to carrier managers of pricing, sales and operations to provide price-quality alternatives that will optimize distribution systems. . . .

"The better each side does its job, the lower will be transport and distribution costs and the greater the profits for all concerned."

Dr. Edward D. Smykay, Department of Marketing and Transportation Administration, Michigan State University, and co-author of the first book on physical distribution management, used charts to make a graphic approach to "The Total Cost Approach to Physical Distribution."

Professor Smykay discussed problems relating to selection of distribution channels, warehouse location, analysis of profit areas, measures of the cost of service, plant location problems, data collection methods, and definition of service territories from plant to customer and from warehouse to customer. He showed, for example, how sales orientation in designing a physical distribution system can lead to excessive numbers of warehouses.

By using methods dictated by a study of physical distribution management, he said, it is almost always possible to reduce the number of warehouses without reducing service, by substituting premium transportation for reduced warehouse investment.

Dr. Donald J. Bowersox, assistant director, business development, REA Express, outlined the salient features in distribution system analysis: distribution audit; establishment of distribution objectives, establishing constraints, postulating alternative systems and construction of testing models. The basic concept of system analysis, Dr. Bowersox said, is "all components must be integrated toward system goals."

Among the executives who spoke on the varied aspects of distribution and transport techniques of particular firms were J. B. Haley, vice president traffic, Koppers, Inc.; Charles Duffy, general traffic manager, Westinghouse Corp.; Ross Jones, vice president, distribution, H. J. Heinz Co. and L. E. Galaspie, traffic manager, Reynolds Metals.

Dr. E. Grosvenor Plowman, vice president—traffic, United States Steel, in the concluding address, spoke on "Transportation in Transition." Summarizing the future of industrial traffic management, he said: "Transportation and the factors of the distribution function must be arranged in such a way as to meet the needs of the company [sell-the commodities] and the customer [buying the commodities]. The basic factors of the distribution function must be integrated for the efficient utilization and implementation of all plant facilities and resources."

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—Dr. John Howard, University of Pittsburgh

Letters from Readers

Grain and the Railroads

Lincoln, Neb.

To the Editor:

After reading with much interest the round table discussion concerning propositions of returning grain to the rails [RA, Jan. 30, p. 16], I feel constrained to add my two-bits towards fomenting or maybe clouding the issue.

My first and foremost observation is to disagree with V. P. Brown's statement, p. 24, wherein he states, "But we are not the creators of these problems. Trucking was not of our making," and to R. H. Smith's, who states at top of p. 24: "But disrupting changes of piecemeal adjustments are not of railroad creation. Every one is made to meet a specific situation that was not of our doing."

Events following the spiral of increases clearly prove the carriers followed the old pattern of acceding to increased costs and passing them on to the users of transportation in the form of rate increases, giving little or no attention to the economic fact they no longer hold a tight grasp on the reins of transportation.

So, rather than blame others or even regulation for the ills now upon them, they should admit the fostering of trucks and barges lies at their door, for it was rate increases which permitted such devastating entry by other modes into the transportation field. Nor can they assume a positive stand that increases were necessary, for many commodities are now being transported at rates even less than were in effect 10 years ago.

Let us refer to a few examples. A few years back the rates on vegetable oils were held at a relatively high level. To these were added the increases. Despite warnings, no notice was given to the inroads trucks were making on the oil traffic. In fact, those in power refused to recognize the threat; indicated they knew of no alarming movement adverse to the rails. Consequently, protected by the rate umbrella, enterprising men purchased equipment to offer highway movement. The scheme appeared successful as operators increased their equipment supply; one outfit from around five to over 100. (Bear in mind that although capacity of a truck is only half that of a tank car, the speed and flexibility of operation produces the transportation equivalent of from three to five rail tank cars, depending on distance.)

Among other examples we admonished a carrier that it should take note of the rail cost from point "A" in Kansas to point "B" in Texas, distance 370 miles. The rate, as I recall was around 82¢. We suggested 60¢, reflecting over 90¢ per car-mile revenue after deducting car mile rental, as a more realistic basis. No luck. Consequently trucks moved the tonnage—at a rate of 74¢.

Finally the rails awoke. Exhaustive studies were made at considerable costs only to discover losses and need of drastic action. The rates were reduced. What rate from Point "A" to "B"? Fifty-nine cents! But all this after truck operators had invested heavily in equipment. Had they beat the trucks to the punch the trucks could not have entered the field. But having a large amount of equipment on hand, it is a safe bet they will meet or better the rail rates to keep busy—at least until their equipment wears out.

Another commodity rapidly flowing away from rails was the vegetable meals. Here again, many hearings were held and exhaustive studies made to determine what should be done. . . .

Early in 1957 I suggested a return to the X-168 basis. Horrified, the carriers turned down the proposal. Later I suggested column 16 on Docket 28300 basis, which would average close to the X-168 rates. This also was declined as being too low. But, as carloadings declined, a few lines took action with others following. True, the selected basis varied in each territory —Southwestern Lines-Western Trunk Lines—with some overlapping, and for short distances, rates are below column 16, grading in approximately that column after several hundred miles. Effective date of reduction in W.T.L. area, May 16, 1959.

I submit that the rail carriers, in adopting the lower rates, proved beyond doubt they were assessing exorbitant charges, as meanwhile costs went up. Therefore, if profitable to move the traffic under present costs, they and they only are responsible for having allowed the truckers a foothold.

From reading the round table report I feel the northern lines are fortunate in that the truck competition appears to extend only to 350 miles. Trucks operating in the great plains region are transporting wheat and coarse grains that exceed 500 miles. While some are regular common carriers, the majority of haulers are strictly grain carriers.

So far as I can determine, the charge on hauls of wheat from, say, the Torrington, Wyo., area to Omaha is 18¢ per bushel, equal to 30¢ per cwt. on wheat. The present rail rate is 54¢ per cwt., one-half cent having been tacked on to the previous rate under X-223.

Reticence to roll back grain rates to the X-168 basis uniformly is due in measure to the vast government holdings. Carriers feel that, regardless of rate, grain under government control will move by rail.

On page 31 Mr. Brown is quoted as stating, "Trucking is something that's grown up over the past few years, but it's temporary in character." Such a statement is wishful thinking. The first time I heard a similar pronouncement was back in 1924, made by a rail traffic official and related then to LCL movement. That was over 35 years ago; trucks are still here—not only to transport higher-rated articles but to move in on bulk grain and other volume moved commodities.

Also on page 31 is found a panel statement that, "They [rails] were here long before the trucks and they'll probably be here long afterwards." I wish it were possible to concur. Perhaps the rails through technological advances will eventually be able to dominate transportation again, but events, to date, indicate otherwise.

The LCL has disappeared; passenger trains are being removed right and left; freight service has been curtailed at many points. We have listened to the story of reinstating service if the traffic is offered. Shippers don't go for it. Having traffic to move, and at hand a means whereby it goes expeditiously, that mode is selected. We cannot depend on promises. If the rails are in earnest as to wanting the traffic, they should demonstrate the ability to move with dispatch. Too frequently, loaded cars are permitted to stand still awaiting additional shipments to make a run worth while as viewed by the operating department. A receiver needing ordered merchandise becomes disgusted. His next call carries the implication to ship via truck—or else.

The foregoing is my personal view.

L. J. Becquet
Traffic Manager
Gooch Milling & Elevator Co.

[On one important point Mr. Becquet does not make clear his views—and that is whether or not he believes the grain trade can get along entirely without rail service. If he believes so, then the policy of selective diversion of tonnage away from railroads will not harm him. But, if he is still going to need a substantial amount of rail service, he would be serving his own interest to work with the railroads to conserve tonnage to the rails—thereby minimizing their unit costs, and the rates they must charge.—*Editor*]

Shippers' Guide

Canadian National

. . . Special Incentive Rates

Plans to extend use of special incentive freight rates and increase its sales force to take advantage of improvements in its freight handling, pricing and service. "Our sales effort is being based upon the marketing, or 'customer first' concept, and we are applying this approach to pricing, to equipment, to rail and integrated truck-rail service and to the sales force itself," says President Donald Gordon.

Chesapeake & Ohio

. . . LCL Merchandise Changes

Has inaugurated a direct LCL merchandise car from Grand Rapids, Mich., to NYC-Detroit, Mich. Grand Rapids—NYC-Toledo, Ohio, LCL merchandise car announced here last month has been discontinued.

Lehigh Valley

. . . New Location

Has relocated its Cincinnati, Ohio, office to 702 Swift Building, 230 East 9th Street. General Agent there is W. H. Yeager.

Soo Line

. . . New Piggyback Service

Has begun piggyback service from Wisconsin's Eau Claire-Chippewa Falls area, making possible next-morning delivery to and from Chicago or Minneapolis-St. Paul. Service will be provided also to other points on the railroad's piggyback network. Eau Claire piggyback sales representative is Mal Wigg, general agent. Eau Claire and Chippewa Falls are in the sales territory directed by John B. Benson, traffic manager, sales, at Minneapolis. Bernard Levenduski is traffic manager, rail-van and merchandise service, at Minneapolis.

Traffic Publications

TRUCK CATALOGUE, T-60. 40 pp.; illustrations. Fairbanks Co., Dept. RA, 393 Lafayette Street, New York 3.

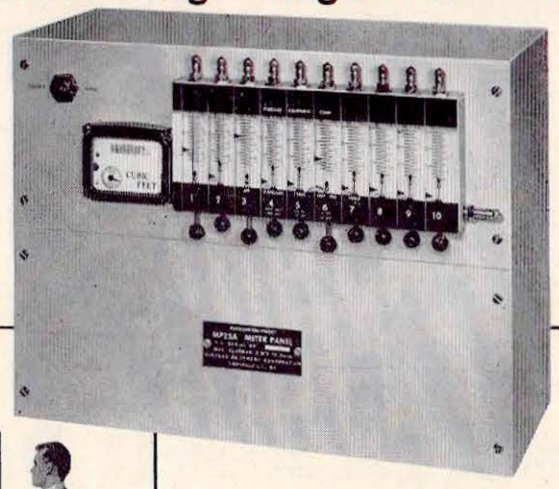
Provides pictures, descriptions, and full specifications for the entire line of Fairbanks "Job-Fitted" Two Wheel and Platform Trucks for plants, warehouses, transportation terminals.

BUILDING A QUALITY PRODUCT. 12 pp.; illustrations. Elwell-Parker Electric Co., Dept. RA, 4205 St. Clair Ave., Cleveland 3, Ohio.

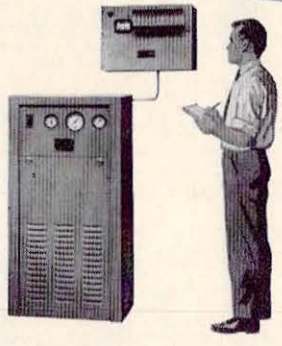
Describes the machining and assembly operations that permit Elpar trucks to be tailored to specific applications. Also illustrates standard trucks adapted to solve special material-handling problems.

PRESSURIZE YOUR CABLES

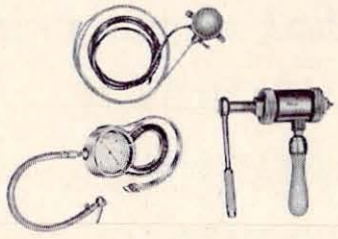
—to minimize service outage—lengthen cable life



Metering Panel of the PUREGAS Continuous Feed Pressure System. From a convenient central location it monitors, measures and distributes the flow of dry air to the cables.



Air Dryer of the PUREGAS system. It compresses and pumps air to a tank for storage cooling, preparatory to dehumidification and delivery to cables. Air Dryers and Metering Panels are products of Puregas Equipment Corporation.



GENERAL MACHINE PRODUCTS accessories. Pressure Testing Contactors monitor pressure and detect leaks. Pressure Testing Gauges measure pressure precisely. Pressure Guns make pressure plugs. These and associated tools are made by General Machine Products Co.

Pressurize your communication cables with dry air supplied through PUREGAS equipment. It is a practical, well proved way to minimize cable failure, trim upkeep costs and lengthen cable life. PUREGAS equipment feeds a continuous supply of dry air to cables to keep moisture from reaching conductors, whether cables are old or new.

Use GENERAL MACHINE PRODUCTS accessories to quickly pinpoint location of sheath breaks or cracks so that repairs can be made *before* service failure.

All equipment is distributed nationally by Graybar. For descriptive folders phone your nearby Graybar Representative, or write directly to Graybar.

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100,000 electrical items are distributed throughout the nation...

GRAYBAR ELECTRIC COMPANY, INC., 420 LEXINGTON AVENUE, NEW YORK 17, N. Y.
OFFICES AND WAREHOUSES IN OVER 130 PRINCIPAL CITIES

Handy Reference to Railroad Associations

The following list gives names and addresses of secretaries and dates and places of next or regular meetings

AIR BRAKE ASSOCIATION.—John B. Ball, 224 S. Lincoln Ave., Aurora, Ill. Annual meeting, September 11-13, Hotel Sherman, Chicago.

ALLIED RAILWAY SUPPLY ASSOCIATION.—Albert Schiffers, Jr., 80 E. Jackson Blvd., Chicago 4. Exhibit in conjunction with Coordinated Mechanical Associations, September 11-13, Hotel Sherman, Chicago; track exhibit, I.C. 31st Street Yards.

AMERICAN ASSOCIATION OF BAGGAGE TRAFFIC MANAGERS.—W. B. Paul, Seaboard Air Line, Room 408, SAL Bldg., Richmond 13, Va. Annual Meeting, May 15-17, Jung Hotel, New Orleans.

AMERICAN ASSOCIATION OF PASSENGER RATE MEN.—F. X. Severtsen, AT&SF Ry., 1115 Railway Exchange Bldg., Chicago 4.

AMERICAN ASSOCIATION OF PASSENGER TRAFFIC OFFICERS.—B. D. Branch, Hotel Manhattan, 44th St. & 8th Ave., New York 18. Annual meeting September 18-20, Broadmoor Hotel, Colorado Springs, Colo.

AMERICAN ASSOCIATION OF RAILROAD SUPERINTENDENTS.—Mrs. Ruth Weggeberg, 220 S. Michigan Ave., Chicago 4. Annual meeting, June 6-8, LaSalle Hotel, Chicago.

AMERICAN ASSOCIATION OF TRAVELING PASSENGER AGENTS.—R. T. Mollencott, Wabash, 1448 Railway Exchange, St. Louis 1. Annual meeting, September 6-7, Jasper Park Lodge, Jasper National Park, Alberta, Can.

AMERICAN COUNCIL OF RAILROAD WOMEN.—Mary Hurley, Chicago & Eastern Illinois, 332 S. Michigan Ave., Chicago 4. Spring meeting, March 26-27, Chicago. Annual meeting, October 2-4, Washington, D.C.

AMERICAN INSTITUTE OF ELECTRICAL ENGINEERS.—N. S. Hibshman, (Exec. Secy.) 33 W. 39th St., New York 18. Committee on Land Transportation.—C. M. Hines, Westinghouse Air Brake Co., Wilmerding, Pa.

AMERICAN RAILWAY BRIDGE AND BUILDING ASSOCIATION.—Mrs. Ruth Weggeberg, 220 S. Michigan Ave., Chicago 4. Annual meeting, September 18-20, Conrad Hilton Hotel, Chicago.

AMERICAN RAILWAY CAR INSTITUTE.—W. A. Renz, 200 E. 42nd St., New York 17.

AMERICAN RAILWAY DEVELOPMENT ASSOCIATION.—F. V. Fisher, Elgin, Joliet & Eastern, Joliet, Ill. Annual meeting, May 15-17, Sheraton Hotel, Philadelphia.

AMERICAN RAILWAY ENGINEERING ASSOCIATION.—Works in cooperation with the Association of American Railroads, Engineering Division—Neal D. Howard, 59 E. Van Buren St., Chicago 5. Annual meeting March 7-9, Conrad Hilton Hotel, Chicago.

AMERICAN RAILWAY MAGAZINE EDITORS ASSOCIATION.—J. W. Tilsch, Santa Fe Magazine, Room 334, Ry Exchange Bldg., Chicago 4. Annual meeting September 20-22, French Lick-Sheraton Hotel, French Lick, Ind.

AMERICAN SHORT LINE RAILROAD ASSOCIATION.—W. J. Hickey, 2000 Massachusetts Ave., N. W. Washington 6, D. C. Annual meeting, October 30-November 1, St. Francis Hotel, San Francisco.

AMERICAN SOCIETY FOR TESTING MATERIALS.—R. J. Painter, 1916 Race St., Philadelphia. Annual meeting, June 25-30, Chalfonte-Haddon Hall, Atlantic City.

AMERICAN SOCIETY OF MECHANICAL ENGINEERS.—O. B. Schier, II, 29 W. 39th St., New York 18. Annual meeting November 26-December 1, Statler Hilton, New York.

Railroad Division.—K. L. Selby, National Malleable & Steel Castings Co., 10600 Quincy Ave., Cleveland.

AMERICAN WOOD-PRESERVERS' ASSOCIATION.—W. A. Penrose, 839 Seventeenth St., N.W., Washington 6, D. C. Annual meeting May 30-June 1, Banff Springs Hotel, Banff, Alberta.

ASSOCIATED TRAFFIC CLUBS OF AMERICA.—F. C. Day, Traffic Service Corp., 815 Washington Bldg., Washington 5, D. C. Annual meeting, September 10-13, Benjamin Franklin Hotel, Philadelphia.

ASSOCIATION OF AMERICAN RAILROAD DINING CAR OFFICERS.—W. H. Berghegger, Room 800, 721 Olive St., St. Louis 1. Annual meeting, October 16-17, Waldorf Astoria Hotel, New York City.

ASSOCIATION OF AMERICAN RAILROADS.—Richard E. Keefer, Transportation Bldg., Washington 6, D. C.

Law Department.—G. S. Prince, Exec. Vice President and General Counsel, Transportation Bldg., Washington 6, D. C.

General Claims Division.—K. A. Carney, Exec. Vice-Chairman, 59 E. Van Buren St., Chicago 5. Annual Meeting, May 24-25, Edgewater Beach Hotel, Chicago.

Operations and Maintenance Department.—C. D. Buford, Vice President, Transportation Bldg., Washington 6, D. C.

Operating-Transportation Division.—C. A. Lauby, Exec. Vice-Chairman, Transportation Bldg., Washington 6, D. C.

Transportation Section.—C. L. Schmitt, Secretary, 59 E. Van Buren St., Chicago 5.

Operating Section.—W. E. Todd, Staff Secretary, 59 E. Van Buren St., Chicago 5.

Communication and Signal Section.—A. H. Grothmann, Secretary, 59 E. Van Buren St., Chicago 5. Annual Meeting, October 2-4, Royal York Hotel, Toronto.

Safety Section.—W. E. Todd, Staff Secretary, 59 E. Van Buren St., Chicago 5.

Engineering Division.—Neal D. Howard, Exec. Vice-Chairman, 59 E. Van Buren St., Chicago 5. Annual Meeting, March 7-9, Conrad Hilton Hotel, Chicago.

Mechanical Division.—F. H. Stremmel, 59 E. Van Buren St., Chicago 5.

Car Service Division.—R. E. Clark, Chairman, Transportation Bldg., Washington 6, D. C.

Freight Claim Division.—J. C. Hindman, 59 E. Van Buren St., Chicago 5.

Finance, Accounting, Taxation and Valuation Department.—Wayne Irwin, Vice President, Transportation Bldg., Washington 6, D. C.

Accounting Division.—Philip A. Lyon, Transportation Bldg., Washington 6, D. C.

Treasury Division.—Philip A. Lyon, Transportation Bldg., Washington 6, D. C.

Purchases and Stores Division.—J. H. Bean, Exec. Vice-Chairman, 59 E. Van Buren St., Chicago 5.

ASSOCIATION OF INTERSTATE COMMERCE COMMISSION PRACTITIONERS.—Mrs. M. L. Urmey, Executive Secretary, 1112 ICC Building, Washington 25, D. C. Annual meeting, May 25-26, Denver Hilton Hotel, Denver.

ASSOCIATION OF RAILROAD ADVERTISING MANAGERS.—A. W. Eckstein, Illinois Central, 135 E. Eleventh Pl., Chicago 5. Annual meeting May 8-10, Royal Orleans Hotel, New Orleans.

ASSOCIATION OF TRACK AND STRUCTURE SUPPLIERS.—J. L. Beven, Jr., Remington Arms Co., Inc., 939 Barnum Ave., Bridgeport 2, Conn.

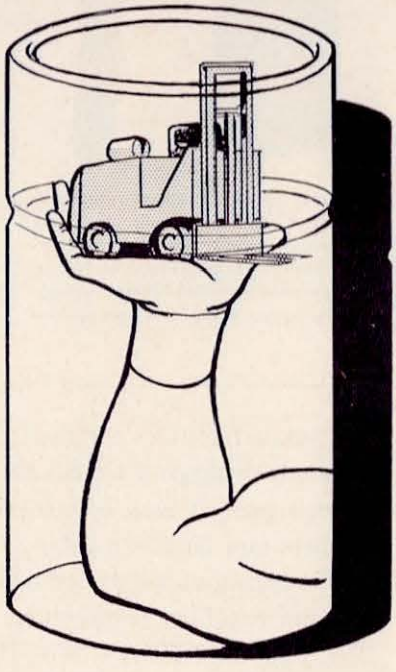
CANADIAN RAILWAY CLUB.—W. J. Cadogan, P. O. Box 162, Montreal 3, Quebec. Regular meetings, second Monday of each month, except February,

(Continued on page 46)

PACKAGED POWER

that saves you time and money

SUBURBAN PROPANE . . . MOTOR FUEL FOR FORK-LIFT TRUCKS



It takes only 30 seconds to refuel a fork-lift truck with Suburban Propane, the PACKAGED Motor Fuel.

NO time wasted traveling to and from the filling station. Refueling is done ON THE JOB at convenient, in-plant motor fuel cylinder storage locations.

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Over Thirty Years of Dependable Service

WHICH "TWIN"

is the better spring 5 to 1?

X-L® SPRINGS

Cycles to Failure, or Cycles to Test Termination

1,230,600	*
1,564,900	*
1,778,100	*
2,676,500	**
2,965,200	**
2,979,700	**
3,010,300	**
3,025,200	**
AV. OVER 2,403,800	

Extended Life Springs taken at random from production stock averaged 2,403,800 cycles at test conclusion

D.H.T. SPRINGS

Cycles to Failure

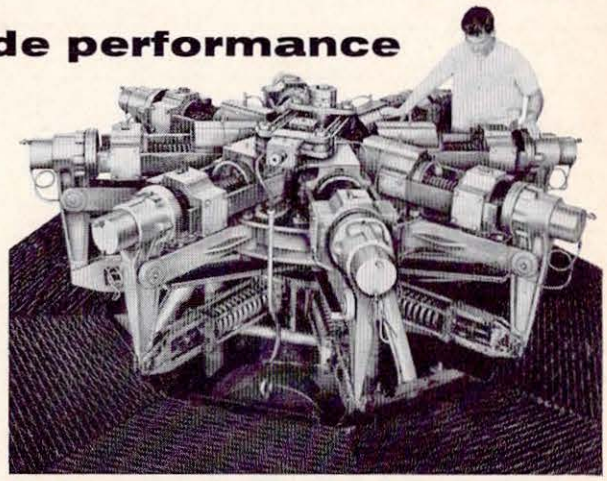
202,100	
251,200	
345,700	
369,000	
400,000	
414,600	
457,900	
531,500	
Av. 371,500	

All double heat-treated springs taken at random from production stock failed after average of 371,500 cycles

*Fractured **Not Failed, Test Terminated

The ASF testing machine gives a 100% reliable answer based on actual side-by-side performance

How can we say with such complete confidence that the *ASF Extended Life® Springs* will outlast and outperform others by as much as 5 to 1? The answer: both have been simultaneously tested to destruction under identical conditions on the *ASF Spring Testing Machine* shown on the right. No guesswork, no computing, no long-drawn-out period of placing trial springs "on the line" for evaluation. Actual side-by-side comparison tells the story with accuracy.



This machine—the only one of its kind—tests 8 springs at a time, all receiving exactly the same loading every cycle. It was used extensively in refining the *ASF Extended Life* process and many others. This is a practical way to get accurate data on spring fatigue comparisons in days instead of weeks, and ASF spring users get the benefits that much earlier. This and other exclusive ASF quality controls maintain proved superiority that makes ASF springs your best buy.

AMERICAN STEEL FOUNDRIES

ASF

HAMMOND DIVISION

Hammond, Indiana

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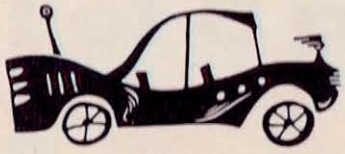
Otto Bussenius & Co., Chicago, Ill. • The Walton R. Collins Co., Inc., New York, N. Y. • Harry E. Connors, St. Paul, Minn. • Delano & Co., Jacksonville, Fla. Mells Cargo Supply Co., Inc., San Francisco, Cal. • Mountain Region Supply Company, Omaha, Nebr. • Progress Railway Supplies, Inc., St. Louis, Mo.



For shipping cars

or jars

or toy guitars

The better way is Santa Fe

No matter what you ship call the nearest Santa Fe Traffic Office and let the "railroad that's always on the move toward a better way" go to work for you.

Santa Fe

RAILROAD ASSOCIATIONS (*Continued from page 44*)

June, July and August, Queen Elizabeth Hotel, Montreal, Que.

CAR DEPARTMENT ASSOCIATION OF ST. LOUIS.—J. J. Murphy, 4047 Miami St., St. Louis 16. Regular meetings third Tuesday of each month except June, July and August, Fred Harvey's Restaurant, 2nd floor, Union Station, St. Louis.

CAR DEPARTMENT OFFICERS' ASSOCIATION.—E. W. Gebhardt, 297 Highland Ave., Elmhurst, Ill. Annual meeting, September 11-13, Hotel Sherman, Chicago.

CAR FOREMAN'S ASSOCIATION OF OMAHA, COUNCIL BLUFFS AND SOUTH OMAHA INTERCHANGE.—C. G. Poetzel, Chicago & North Western, 11th St. and Avenue J., Council Bluffs, Ia. Regular meetings, second Tuesday of each month, except July and August, Chieftain Hotel, Council Bluffs.

CAR FOREMEN'S ASSOCIATION OF CHICAGO.—A. F. Jungblut, 218 Main St., Glen Ellyn, Ill. Regular meetings, second Monday of each month except June, July and August, LaSalle Hotel.

CENTRAL RAILWAY CLUB OF BUFFALO.—F. I. McCrone, Room 17, 2nd floor, Hotel Statler-Hilton, Buffalo 5. Regular meetings, second Thursday of each month except June, July and August, Hotel Statler-Hilton.

CHICAGO RAILROAD DIESEL CLUB.—E. C. Fosdick, 225 Illinois Blvd., Hoffman Estates, Roselle, Ill. Regular meetings first Tuesday after first Saturday of each month except July and August, Hamilton Hotel, 5:30 p.m.

CHICAGO RAILROAD CAR ACCOUNTING OFFICERS.—V. C. Scherin (Chairman) C&NW Ry Co., 4809 N. Ravenswood Ave., Chicago 4. Regular meetings last Wednesday of each month, except July and August, Traffic Club, Palmer House, at 12:00 noon.

EASTERN ASSOCIATION OF CAR SERVICE OFFICERS.—C. C. Robinson, Monon RR, Lafayette, Ind. Next meeting November 9-10, Penn-Sheraton Hotel, Pittsburgh.

EASTERN CAR FOREMAN'S ASSOCIATION.—F. Frey, Central of New Jersey, Room 6, Jersey City Terminal, Jersey City 2. Regular meetings second Tuesday of January, February, March, April, May, October and November. Railroad-Machinery Club, 30 Church St., New York. Annual outing, second Thursday in July, Race Brook Country Club, Orange, Conn.

GREAT LAKES RAILWAY CLUB.—A. W. Seith, NYC&StL RR, Cleveland 1. Regular meetings first Tuesday of each month, except June, July and August, Carter Hotel. Dinner, 6:30 p.m.; meeting, 7:30.

LOCOMOTIVE MAINTENANCE OFFICERS' ASSOCIATION.—C. M. Lipscomb, 1721 Parker St., North Little Rock, Ark. Annual meeting, September 11-13, Hotel Sherman, Chicago.

MAINTENANCE OF WAY CLUB OF CHICAGO.—J. S. Kopec, CMStP&P, Room 898, Union Station, Chicago 6. Regular meetings, October through April, Midland Hotel, Chicago.

METROPOLITAN MAINTENANCE OF WAY CLUB.—R. Creib. Railway Age, 30 Church St., New York 7. Meets April 27, October 26, December 7, Railroad-Machinery Club, 30 Church St., New York. Annual outing, June 1, Wayne Country Club, Preakness, N. J.

MILITARY RAILWAY SERVICE VETERANS.—F. W. Okie, Bessemer and Lake Erie, P. O. Box 536, Pittsburgh 30. Annual reunion, September 15-17, Pick-Congress Hotel, Chicago.

MISSISSIPPI VALLEY MAINTENANCE OF WAY CLUB.—E. E. Brady, Wabash, 1551 Ry Exchange Bldg., St. Louis 1. Regular meetings, second Monday of each month, September through May, Ambassador-Kingsway Hotel, St. Louis.

NATIONAL ASSOCIATION OF RAILROAD AND UTILITIES COMMISSIONERS.—R. Everette Kreeger, 5310 ICC Bldg., P. O. Box 684, Washington 4, D. C.

NATIONAL ASSOCIATION OF RAILROAD ENGINEERS OF TEST.—T. A. Tennyson (Chairman) St. Louis, Southwestern, Pine Bluff, Ark. Next meeting, Merch 6, Exposition Center McCormick Place, Chicago.

NATIONAL ASSOCIATION OF RAILROAD TRIAL COUNSEL.—J. J. McCarthy (Exec. Dir.) Room 1509, 55 Liberty St., New York 5. Annual meeting, August 28-30, Mark Hopkins Hotel, San Francisco.

NATIONAL ASSOCIATION OF RAILWAY BUSINESS WOMEN.—Miss Rosalie Draper, Chicago, Rock Island & Pacific, Room 900, LaSalle Street Station, Chicago. Annual meeting, May 8-12, Stardust Hotel, Las Vegas.

NATIONAL ASSOCIATION OF SHIPPERS' ADVISORY BOARDS.—F. L. O'Neill, Minnesota, Mining & Mfg. Co., 900 Bush Ave., St. Paul 6. Annual meeting Oct. 3-5, Statler Hilton Hotel, Buffalo.

NATIONAL DEFENSE TRANSPORTATION ASSOCIATION.—Lily M. Beauchamp, 1612 K. St., N.W., Washington 6, D. C. Annual meeting, September 17-20, Denver-Hilton Hotel, Denver.

NATIONAL INDUSTRIAL TRAFFIC LEAGUE.—L. J. Dorr, Suite 909, Sheraton Bldg., 711 14th St., N.W., Washington 5, D. C. Annual meeting, November 16-17, Denver.

NATIONAL RAILWAY APPLIANCES ASSOCIATION.—S. C. Johnson (asst. secy.) Dearborn Chemical Co., Merchandise Mart Plaza, Chicago 54, Exhibit at Exposition Center, McCormick Place, Chicago, March 6-9, in conjunction with AREA Convention.

NATIONAL SAFETY COUNCIL, RAILROAD SECTION.—G. C. Stromsoe, (Chairman) Atlantic Coast Line, Jacksonville 2, Fla. Annual meeting, October 17-19, LaSalle Hotel, Chicago.

NEW ENGLAND RAILROAD CLUB.—William M. McCombs, 35 Lewis Wharf, Boston 10. Regular meeting, second Tuesday in October, December, February and April. Hotel Vendome, Boston, 6:30 p.m. Annual banquet second Thursday of May each year.

NEW YORK RAILROAD CLUB.—G. A. Rueppel, 30 Church St., New York 7. Regular meetings, third Thursday of each month except June, July, August, September and December. Century Room, Commodore Hotel. Reception 5:30 p.m.. dinner 6:30; meeting, 7.45. Annual dinner, December 7.

NORTHWEST CARMEN'S ASSOCIATION.—N. J. Maglich, Minnesota Transfer Ry., 2085 Capp Road, St. Paul 14, Minn. Regular meetings, first Monday of each month except June, July, August, Midway Club, 1931 University Ave., St. Paul.

NORTHWEST MAINTENANCE OF WAY CLUB.—E. L. Roland, 27 Milwaukee Station, Minneapolis 1. Regular meetings, fourth Thursday of each month, September through April, inclusive, except November and December which are third Thursday, Coleman's Cafe, 2239 Ford Parkway, St. Paul.

PACIFIC RAILWAY CLUB.—S. E. Byler, 121 E. Sixth St., Los Angeles 14. Meetings in alternate months in San Francisco and Los Angeles. One meeting a year at Sacramento and at Roseville.

RAILROAD PUBLIC RELATIONS ASSOCIATION.—J. N. Ragsdale, Association of American Railroads, Transportation Bldg., Washington 6, D. C. Annual meeting, June 26-28, Sheraton-Towers Hotel, Chicago.

RAILWAY CLUB OF PITTSBURGH.—G. E. Morrison 2710 Koppers Bldg., Pittsburgh 19. Regular meetings third Wednesday of each month, except June, September, incl., and December, Roosevelt Hotel. Dinner, 6:30 p.m.; meetings, 8. Annual dinner in November.

RAILWAY ELECTRICAL AND MECHANICAL SUPPLY ASSOCIATION.—L. R. Oswald, Transquip Corp., 919 N. Michigan Ave., Chicago 11.

RAILWAY FUEL AND OPERATING OFFICERS' ASSOCIATION.—L. H. Peters, New York Central, Room 1213 139 W. Van Buren St., Chicago 5. Annual meeting, September 11-13, Hotel Sherman, Chicago.

RAILWAY PROGRESS INSTITUTE.—T. A. Nooner, Jr., First National Bank Bldg., Chicago 3. Annual meeting, November 15-16, Conrad Hilton Hotel, Chicago.

RAILWAY SIGNAL AND COMMUNICATION SUPPLIERS' ASSOCIATION—W. H. Allen, Room 322E, 30 Church St., New York 7.

RAILWAY SUPPLY MANUFACTURERS' ASSOCIATION.—A. W. Brown, 527 Lexington Ave., New York 17.

RAILWAY SYSTEMS AND MANAGEMENT ASSOCIATION.—G. C. Vietsch (Exec. Dir.), 433 Grand Central Station, Chicago 7. Spring meeting, April 18-20, Knickerbocker Hotel, Chicago. Fall meeting, October 11-13, Knickerbocker Hotel, Chicago.

RAILWAY TIE ASSOCIATION.—R. M. Hamilton, 1373 Grandview Ave., Columbus 12, O. Annual meeting, October 25-27. Rice Hotel, Houston.

ROADMASTERS AND MAINTENANCE OF WAY ASSOCIATION.—Mrs. Ruth Weggeberg, 220 S. Michigan Ave., Chicago 4. Annual meeting, September 18-20, Conrad Hilton Hotel, Chicago.

ST. LOUIS RAILROAD DIESEL CLUB.—F C. Whitlock, Terminal Railroad Association of St. Louis, 376 Union Station, St. Louis 3. Regular meetings, first Monday in January, March, May and November, second Monday in September. Hotel York. Dinner, 7 p.m.; meeting, 8.

SOUTHEASTERN RAILWAY CLUB.—H. W. Brewer, Seaboard Air Line, P. O. Box 6351, Jacksonville, Fla. Regular meetings, second Tuesday in February, April, June, August, October and December, Mayflower Hotel, Jacksonville.

SOUTHERN AND SOUTHWESTERN RAILWAY CLUB.—D. G. Sudderth, P. O. Box 1205, Atlanta 1. Regular meetings, 9:30 a.m. third Thursday in January, March, May, September and November (annual meeting) in Atlanta. Outing in July.

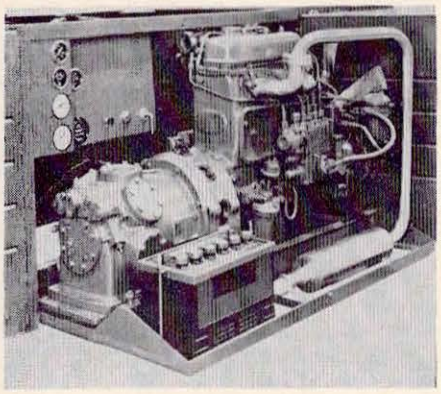
SOUTHERN ASSOCIATION OF CAR SERVICE OFFICERS.—F. I. Umhau, Southern Ry., Atlanta 3.

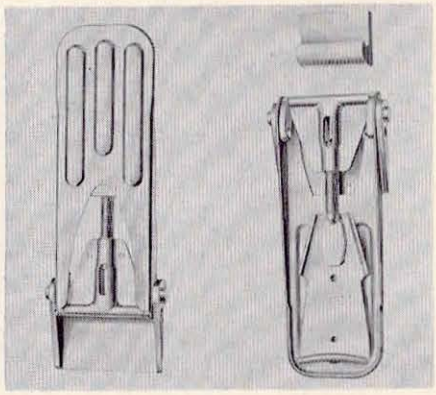
TORONTO RAILWAY CLUB.—W. F. Saunders P. O. Box 8, Terminal "A." Toronto 1, Ont. Regular meetings, fourth Monday of each month except February, June, July, August and December, Royal York Hotel. Annual dinner first Saturday in December.

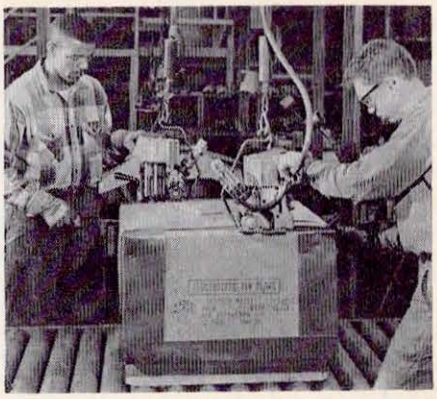
WESTERN ASSOCIATION OF RAILWAY TAX COMMISSIONERS.—L. A. Grotewohl (President), Room 1544, 80 E. Jackson Blvd., Chicago 4. Luncheon meetings, 12:15 p.m. first Wednesday of each month, except February, July, August and September, Traffic Club, Palmer House, Chicago.

WESTERN RAILWAY CLUB.—E. E. Thulin, Suite 339. Hotel Sherman, Chicago 1. Regular meetings held in February, March, April, May, October, November and December (Ladies night).

New Products Report







Refrigeration-Heating Unit

Worthington's new TDU-800 refrigeration-heating system for highway trailers is powered by a Mercedes-Benz diesel engine with cushioned power transmission to direct drive an aluminum, five cylinder, 7½-ton compressor. The 1,050-lb condensing unit has engine and compressor mounted in a sliding "power tray" for ease of maintenance. The floor-mounted evaporater unit weighs 350 lb. *Worthington Corp., Dept. RA, Harrison, N.J.*

Copy Papers

A new system of copy papers has been developed for making multiple copies of an original master on a Thermofax machine. The type A pink paper is used to produce the original on a typewriter (with letterhead if desired). Using the pink master, copies are made on the type B paper, a white stationary copy paper. About 25 copies can be made from one original. *Minnesota Mining and Manufacturing Co., Dept. RA, 900 Bush Ave., St. Paul 6, Minn.*

New Whiteprinter

The Printmaster 900 reproduces drawings and business forms of any length and up to 42 in. in width with printing and developing speeds up to 75 ft per min. The new sleeveless dry diazo developing system assures scratch-proof protection of sensitized films and eliminates need for slip sheets. Both sides of double-coated materials are exposed to developer at once. *Ozalid Div., Dept. RA, General Aniline & Film Corp., 69 Corliss Lane, Johnson City, N.Y.*

Universal Latch

A new adjustable drawhook universal tension latch, designated the 46L, 14 & 23, is designed for use on reusable shipping containers, transit cases and for other general purpose latch requirements. It provides up to ½-in. adjustment with an ultimate tensile strength of 1,000 lb. The latch is interchangeable with fixed latches. Its design gives load deflection characteristics without springs. *Camloc Fastener Corp., Dept. RA, 9 Spring Valley Rd., Paramus, N.J.*

Damage Reducers

A full new line of freight bracing equipment has been developed to reduce or eliminate damage to goods in transit in truck trailers. The line includes three systems. In the Sparton STANDARD system, aluminum belt rails are secured to the sideposts of a truck trailer. The belt rails are punched with a row of holes into which crossmembers are fastened and extended across the width of the truck to prevent load shifting. In the "Built-In" aluminum system, belt rails replace regular side posts to become dual-purpose posts. These posts give support strength to walls and roof; receive cross members to brace against loads; and permit greater interior width over ordinary trailer constuction. Posts applied during original construction eliminate installation charges for special belt rails and other costs. In the STEEL system, steel belt rails are used when weight is not critical. The steel belt rails have slotted grooves into which crossmember end fittings are snug-fitted. *Sparton Railway Equipment, Dept. RA, 17333 Healy Ave., Detroit.*

Strapping Tool

The AMP is a portable all-power-operated strapping tool. Air power does all the work—engages and disengages the feed wheel, tensions the strapping, applies the seal and severs the strap from the coil. Developed especially for the AMP is a new design of self-interlocking nested seal that simplifies loading into the tool, permits partial stacks to be loaded. Nibs in the flanges of the seal hold the stack together and in alinement until the seal is automatically fed into position on the strapping. The AMP's pneumatic power has cut manual operations to a minimum. To complete a strapping cycle, the operator need only open the rear gripper and wipe in the bottom strap end, slide the top strap under the feed wheel, press the tension lever, then the sealer lever, and swing the tool free from the strapping. The compact design, the short base and the elimination of tensioning and sealing handles permit the AMP to be used in cramped spaces. *Signode Steel Strapping Co., Dept. RA, 2600 N. Western, Chicago 47.*

Computer and Communications

The new Univac 1107 thin-film memory computer can operate in billionths instead of millionths of a second. The magnetic film memory consists of a series of metal dots, a few millionths of an inch thick, deposited on a thin glass plate. The Univac 490 real-time communications-computer network system provides instantaneous inventory and control data to widely distributed offices. *Remington Rand Univac, Dept. RA, 315 Park Ave. South, New York 10,*

Now the Central locates any

...with IBM RAMAC® and TELE-PROCESSING* System

When a New York Central customer wants to know where the car carrying his shipment is *now*, he gets the answer—*now*.

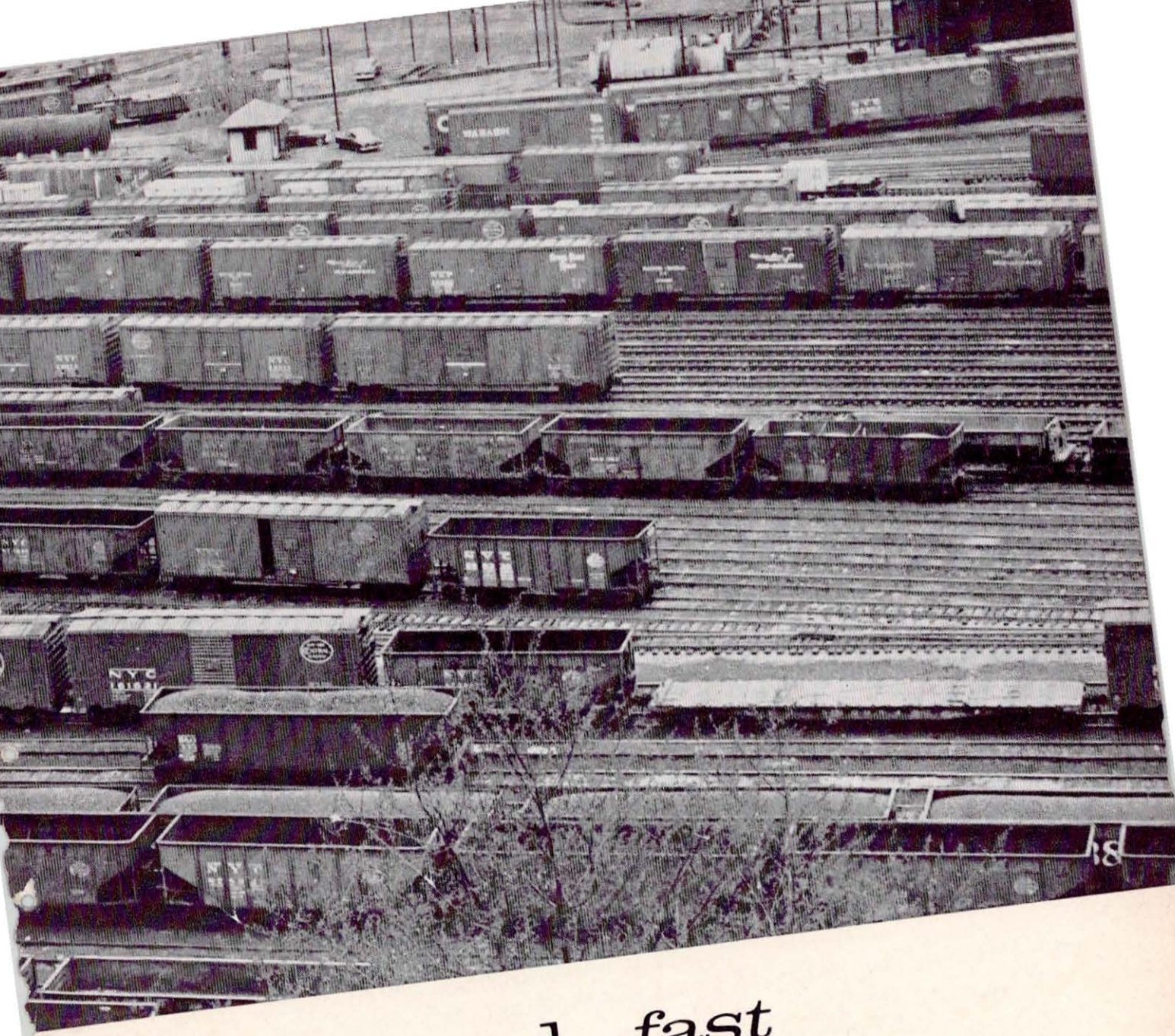
Inquiry is addressed to one of three New York Central tracing bureaus. There, a car tracer simply types the car initials and number—directly and without coding—into a remote inquiry station. An IBM RAMAC 305 Data Processing System finds and prints out the required information immediately.

RAMAC installations at Central's freight tracing bureaus in New York, Cleveland and Indianapolis each record the daily movements of all cars within their areas. Linked with 57 freight classification yards by IBM TELE-PROCESSING equipment, these systems keep 70,000 cars on 11,000 miles of track under surveillance 24 hours a day. And interconnections between tracing bureaus make car location records for the entire NY System available to each of the three locations.

Each RAMAC up-dates, stores or reproduces data as r ceived in train sequence. No rearranging or sorting is nece sary. Access to any car record is fast... information is cor plete. Daily summary reports of all area train movements printed automatically. Time required to transmit train mov ment data to the tracing bureaus is held to an absolute mi mum through use of IBM TELE-PROCESSING equipme assuring the availability of the very latest information.

Find out in detail how RAMAC and TELE-PROCESSIN systems can speed up your car tracing and improve your ove all operation. Call your local IBM Representative today.

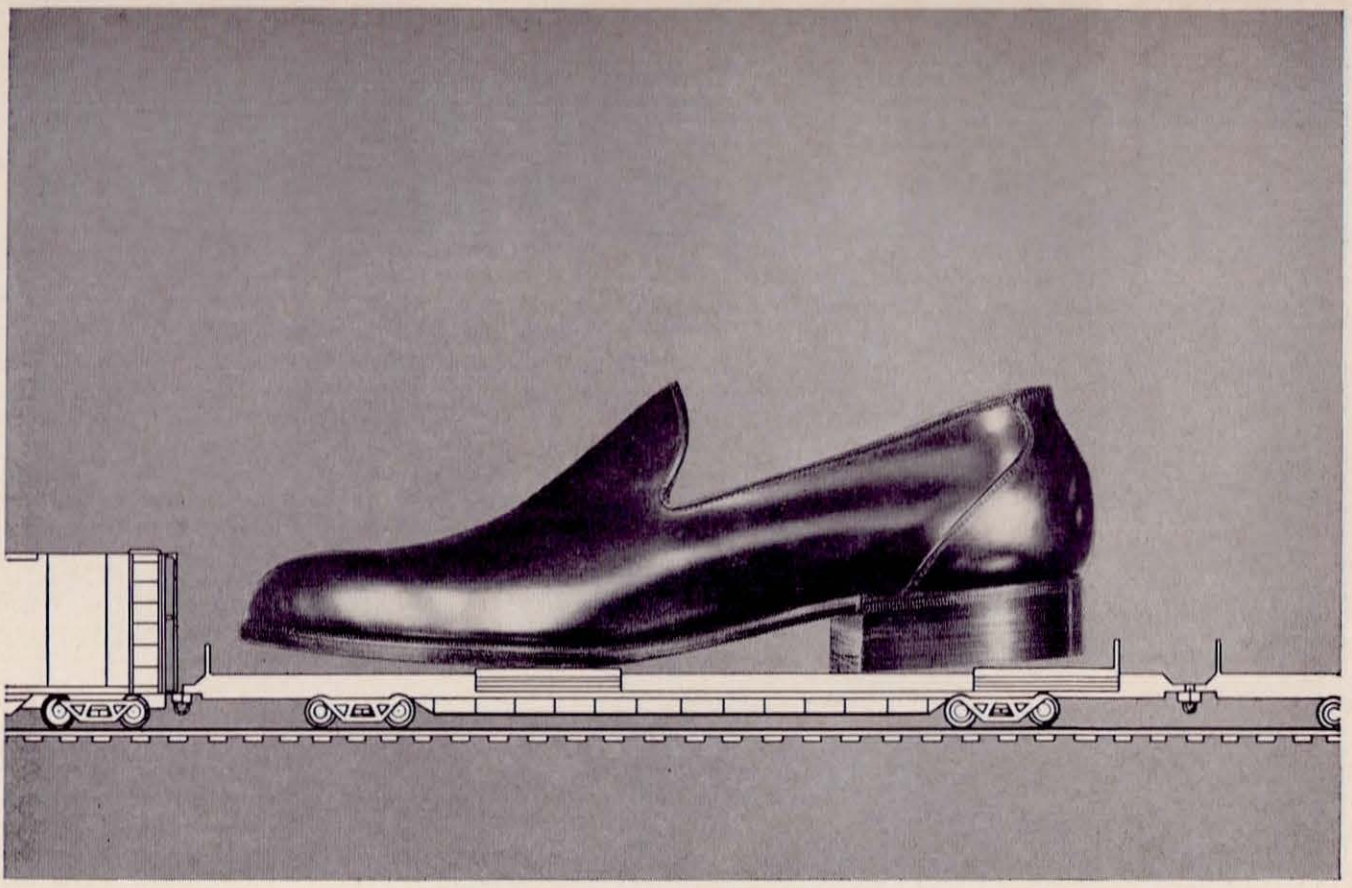
*Tradema



car on its road...*fast*

UP-TO-THE-MINUTE CAR INFORMATION. John F. Nash, Vice President of Operations (left) and J. C. Scott, Director of Car Reporting inspect a printed report at the Central's RAMAC installation in New York.

IBM®
DATA PROCESSING

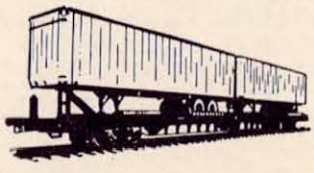


if the shoe fits

. . . and it always does when you send *your* "shoe" by railroad freight, because large or small, compact or bulky, *anything* goes, and goes best, by rail.

Seaboard typifies the finest in modern railroading. We're geared to provide the kind of "follow through" that shippers need and want.

Transportation is our business. Our entire effort is directed to rendering the finest service that experienced, interested personnel and up-to-the-minute facilities can make possible. Whatever your shipping needs in the Southeast may be, you'll find Seaboard representatives eager to help you get the best answers to any transportation problem.



Piggyback service between North and South is available at many Seaboard points.

SEABOARD
AIR LINE
RAILROAD

IN THE SOUTHEAST IT'S SEABOARD

THE ROUTE OF COURTEOUS SERVICE

MARKET OUTLOOK *at a glance*

Carloadings

Loadings of revenue freight in the week ended Feb. 18 were not available as this issue went to press.

Loadings of revenue freight for the week ended Feb. 11 totaled 486,347 cars; the summary, compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, Feb. 11

District	1961	1960	1959
Eastern	70,053	93,048	87,604
Allegheny	74,133	111,558	101,608
Pocahontas	43,450	50,900	50,839
Southern	106,270	111,432	111,803
Northwestern	57,215	61,285	60,514
Central Western	98,805	105,019	109,242
Southwestern	42,421	46,908	45,578
Total Western Districts	198,441	213,212	215,334
Total All Roads	486,347	580,150	567,188
Commodities:			
Grain and grain products	57,448	46,327	52,323
Livestock	2,712	3,699	4,092
Coal	95,793	107,008	113,309
Coke	5,551	11,680	9,049
Forest Products	32,501	40,082	36,135
Ore	11,594	21,918	15,114
Merchandise l.c.l.	29,131	38,448	42,627
Miscellaneous	251,617	310,988	294,539
Feb. 11	486,347	580,150	567,188
Feb. 4	497,630	587,981	565,752
Jan. 28	476,403	603,195	582,456
Jan. 21	490,049	587,407	555,750
Jan. 14	516,210	605,793	586,342
Cumulative total, 6 weeks	2,905,832	3,554,327	3,408,154

PIGGYBACK CARLOADINGS.—U.S. piggyback loadings for the week ended Feb. 11 totaled 10,498 cars, compared with 10,211 for the corresponding 1960 week. Loadings for 1961 up to Feb. 11 totaled 58,968 cars, compared with 59,151 for the corresponding period of 1960.

IN CANADA. — Carloadings for the seven-day period ended Feb. 7 totaled 60,823 cars, compared with 80,149 for the previous ten-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
Feb. 7, 1961	60,823	27,259
Feb. 7, 1960	67,031	31,847
Cumulative Totals		
Feb. 7, 1961	309,844	131,444
Feb. 7, 1960	335,616	155,568

New Equipment

FREIGHT-TRAIN CARS—SPECIAL

► *Louisville & Nashville.*—Directors authorized expenditure of $454,000 for purchase of additional equipment for shipment of automobiles. L&N will acquire 50 tri-level and 10 bi-level racks for installation on (TTX) piggyback flat cars. Addition of these 60 units will give the road a fleet of 235 multi-level cars for automobile traffic.

LOCOMOTIVES

► *Boston & Maine.*—Ordered six 1,800-hp GP18 road-switchers from EMD for May delivery. Cost: $1,036,000.

► *Delaware & Hudson.*—Announced purchase of six 1,800-hp diesel-electrics from Alco to replace six 1,500-hp units that will be retired. Delivery will be completed this month.

New Facilities

► *Alton & Southern.*—Major projects include construction of two 75-car interchange tracks and connecting tracks for A&S-C&NW interchange, $106,370; installation of automatic interlocking system to replace manually-operated plant at L&N-C&EI-A&S crossing, $81,312; and construction of spur track to serve plant of General Chemical Division of Allied Chemical Corp. (Washington Park, Ill.), $21,160.

► *Louisville & Nashville.*—Directors authorized expenditure of $1,130,000 for bridge, trestle and culvert improvements (including 60 bridge reconstruction projects); and $450,000 for purchase of equipment for the M/W and B&B departments and the signal repair shop. Included in the purchases will be a new multiple tie tamping machine with lifting device, a spot tamper, several weed burners and various items of smaller equipment.

Orders & Deliveries

► *Orders Decrease.*—Orders were placed in January for 1,339 new freight cars, compared with 2,705 in December. January 1960 orders totaled 5,742. Deliveries in January totaled 3,515, compared with 4,272 in December and 2,849 in January 1960. The backlog of cars on order and undelivered as of Feb. 1, 1961, was 18,894, compared with 21,070 on Jan. 1, 1961, and 48,170 on Feb. 1, 1960.

Type	ORDERED January, 1961	DELIVERED January, 1961	UNDELIVERED February 1, 1961
Box—Plain.	539	524	4,734
Flat	101	484	1,075
Gondola	6	116	4,140
Hopper	160	1,681	4,947
Cov. Hopper	143	156	989
Refrigerator	255	290	2,003
Tank	135	230	876
Caboose	0	9	0
Other	0	25	130
TOTAL	1,339	3,515	18,894
Car Builders	427	2,261	5,023
Railroad Shops	912	1,254	13,871

RAILWAY AGE time-saver page

unified operation, car days will be saved through use of new shorter routes and more efficient terminal facilities. Time-consuming interchanges at common points will be avoided. A single transportation officer for the system will be able to handle system car distribution more efficiently. More company-owned cars will be at home on system lines and at home-line junctions. Unified handling of LCL—substituting fewer but more-fully-loaded cars for duplicate loads by individual roads—can further conserve car supply.

- Wider routing with more valuable transit and diversion privileges. Shippers will retain routes now available. In addition, they'll be able to use the shorter routes and "they will also have the advantage of still other routes to be opened up as new patterns of traffic develop and as potential volume and flow of traffic warrant."

- Benefits stemming from availability of more capital for improvements. Studies indicate that unification will produce an eventual increase of about $43 million in net income before federal income taxes (present net of the four roads totals about $70 million). At the outset, the GNP&BL plans major improvements costing almost $44 million (see box on p. 53). Included will be three new yards and a consolidated Twin Cities freight terminal. Overall, integration of the system will require expenditures totaling about $55 million.

- Passenger service as-is. After consolidation, present trains will continue to operate on their present routes, and "it is expected that the consolidated railroad will place continuing importance on the maintenance of superior passenger service as long as sufficient public patronage makes this possible."

- Preservation of—and even an increase in—transport competition. The four roads put it flatly: "Rather than weakening or removing competition, the creation of a stronger, more efficient railroad system will preserve and heighten competition." Virtually every point on the four systems is served by truckers using public highways; many points have air freight, waterways or pipeline service. All are claiming an increasing share of the total intercity freight business—and, while railroads have the capacity and ability to share in the transportation growth demanded by an expanding economy, they "must use their properties to better advantage so as to render more efficient and economical service." Further, the economy and continued development of the territory to be served by the GNP&BL "are vitally dependent upon the ability of producers in that area to market their . . . products in far away centers of

FOUR-WAY MERGER II—HOW

Consolidation Plan Calls for

JOHN M. BUDD

ROBERT S. MACFARLANE

HARRY C. MURPHY

Management Team Will Bring Diversified Talents to GNP&BL

A lawyer, an operating man and an engineer will join talents in top management of the unified Great Northern Pacific & Burlington Lines.

Robert S. Macfarlane will become chairman of the board. Attorney, former prosecutor, former county superior court judge, he went with NP as assistant western counsel 27 years ago. He was elected president in 1951, and currently serves also as president of SP&S.

John M. Budd, youngest of the top-management trio, has already been president of two independent roads—Chicago & Eastern Illinois, 1947-49; and Great Northern, 1951 to date. He came up through GN's operating department and, after his two years as president of C&EI, returned to GN as vice president—operations. He'll become president of GNP&BL.

Harry C. Murphy, oldest of the group, has been president of Burlington (and also subsidiaries Colorado & Southern and Fort Worth & Denver) since 1949. He joined Burlington in 1914 and came up through the engineering and operating departments. He'd been VPO for four years before assuming the presidency. He'll be vice-chairman of the Great Northern Pacific & Burlington Lines.

population, manufacturing and consumption" which are almost always also served by producers located much closer to the market. "The furnishing of low-cost transportation is a task railroads are especially suited to perform. The producing areas in the West have a large stake in the continuing financial health and operating efficiency of their railroads. Consolidation will provide the transportation strength needed by these producer (areas)."

In the language of the merger application:

"Unification through the proposed mergers and lease will enable the new company to provide better transportation service at substantially lower expense. Such betterment and savings, benefiting the public and the shippers, consignees, passengers and security holders, cannot be realized under separate operation of the properties."

Major Installations Proposed Under Consolidation

LOCATION	PROJECT	COST
Minneapolis-St. Paul	Electronic classification yard, grain inspection yard, diesel and car repair facilities	$14,000,000
Spokane	Electronic classification yard, grain inspection yard, diesel and car repair facilities	11,000,000
Seattle	2,400-car capacity class yard, diesel and car repair facilities	6,000,000
Spokane	Viaduct to integrate GN-NP-SP&S operation and make possible routing of all trains through city on elevated trackage	6,000,000
Portland-Vancouver	Additional trackage and facilities	1,380,000
St. Paul-Minneapolis	Joint Twin Cities freight terminal in Midway District	3,300,000
Superior, Wis.	New trackage and facilities for classification yard	1,387,000
		Total—$43,067,000

2 Separate Mergers and Lease

James J. Hill, founder of the Great Northern, once called the stone arch bridge across the Mississippi at Minneapolis "the greatest undertaking I ever had to face." His successors at GN, along with top management of NP and Burlington, could be pardoned if, today, they looked at that bridge and wondered what the old Empire Builder's comment would be, had he been with them during the past five years of merger-making.

The "building" of the GNP&BL is even now less than halfway along. The plan, in the making since 1956, is completed. But the long period of handling through the ICC lies ahead. So does the four- to five-year period which will be needed for integration of the system components, if and when ICC approval is given. Chances are the ICC won't begin to move on the merger application until early summer, after constituent-line shareholder meetings have been held. And few observers are expecting the case to set any speed records in its journey through the Commission.

As the carriers have set it up, the proposed consolidation will involve two separate mergers and a lease.

In the beginning, 8,279-mile Great Northern, 6,800-mile Northern Pacific and 32-mile Pacific Coast will be merged into the new (Delaware) corporation, Great Northern Pacific & Burlington Lines. Then, when obstacles created by present GN and NP mortgage provisions have been eliminated, 8,648-mile Burlington will be brought into the GNP&BL. All property and assets of the 599-mile Spokane, Portland & Seattle (now owned 50-50 by GN and NP) will be leased by the new company for 10 years after the merger of the Burlington. The GNP&BL would also acquire control, in the process, of all carriers subsidiary to or affiliated with the merging roads.

Under terms of the Northern Lines and Burlington merger agreements, authorized capital stock of the GNP&BL will be 3,102,333 shares of 5½% nonvoting, callable preferred with $10 par value and 17,500,000 shares of common without par value. GN stockholders will receive one share of common and a half-share of preferred for each share of GN stock held; NP shareholders will get one share of GNP&BL common for each share of NP. When the Burlington is merged, each share of outstanding stock (other than those owned by the new company) will be converted into three and one-quarter shares of GNP&BL common. At present, GN and NP each own 48.59% of Burlington stock, and this ownership would be conveyed to the GNP&BL in the Northern Lines merger.

The two-merger plan was devised as a means of overcoming a barrier to a GN-NP-CB&Q merger created by provisions of the NP Refunding and Improvement Mortgage and the GN General Mortgage. Burlington stock owned by the two Northerns is pledged under the respective mortgages—and, by these provisions, upon merger of Burlington all of its property must be subjected to the lien of each mortgage. Because these requirements cannot both be complied with, one of the mortgages must be satisfied.

Merger agreements provide for the NP mortgage to be satisfied and discharged and for the Burlington property to be subjected to the GN General Mortgage.

The plan will permit the direct pledge of $70 million principal amount of Burlington bonds under a new Consolidated Mortgage which GNP&BL proposes to create upon the GN-NP-PCRR merger. The Consolidated Mortgage is to be the new company's future general refunding and financing medium. After all mergers, it will also be a lien on substantially all railroad properties previously owned by GN

(other than its Klamath Division), NP and Burlington.

The Northern Lines merger agreement provides that it may be terminated at any time by mutual consent of GN and NP boards of directors, or by the directors of either company if (a) the ICC shall impose any term or condition which is unacceptable to either board; or (b) if there have not been received by Jan. 26, 1964, all approvals of public authorities necessary to consummation of the merger and all approvals and consents of public bodies, stockholders and bondholders for five proposed actions: The Burlington merger; the SP&S lease; execution of the Consolidated Mortgage of the new company; issuance of bonds pursuant to the Consolidated Mortgage and their pledge in substitution for the NP Refunding and Improvement Mortgage bonds pledged under the NP Collateral Trust Indenture; and modification of the indenture to permit substitution of Consolidated Mortgage bonds as collateral and to delete certain sections of the indenture.

Similar agreement cancellation provisions, involving the GNP&BL and Burlington boards, pertain to the Burlington merger.

Other major features of the merger application:

- GNP&BL will have a 24-member board of directors (it now has only three directors, who will be replaced by GN President John M. Budd, NP and SP&S President Robert S. Macfarlane and CB&Q President Harry C. Murphy when ICC approval of their applications is received). The other 21 seats on the new company's board will be filled by nine GN directors, nine NP directors and three Burlington directors who are neither officers nor directors of GN or NP.
- Preferred stock of the GNP&BL will be entitled to fully cumulative dividends payable quarterly at a rate of 5½% per year and to the benefit of a mandatory sinking fund for its retirement. No dividends on the common can be paid unless the preferred dividend, including all arrearages, has been paid (or declared and funds set aside (and the requirements of the mandatory sinking fund have been met.
- GNP&BL and SP&S are applying for authority to build 24 track connections (three involving SP&S) at various points in Wisconsin, Minnesota, North Dakota, Montana, Idaho, Washington and Oregon. Application is also made for permission to abandon about 15 miles of trackage which won't be needed when the new connections are built. No other provision for abandonment of track facilities is contained in the application.
- Usual provisions are made for the merger of assets and assumption of debts, liabilities and duties of the constituent corporations; and for protection of employees adversely affected, in accord with provisions of Section 5(2) (f) of the Interstate Commerce Act. Management has pledged in a separate statement that "future employment opportunities for all employees now in service are firmly assured by the plan of consolidation . . . While it may be necessary for a few employees to change their line of work, in most instances they will be employed in the same or comparable positions." By the end of the five-year consolidation completion period, the company will be operating with about 8% fewer employees (present four-road total: 64,000 employees). But the normal employment turnover rate on the four lines creates almost as many jobs annually as will be vacated gradually over the five-year period.

The merger agreements, approved by directors earlier this year, still must secure stockholder approval (by two-thirds vote in the case of GN and NP). Northern Pacific stockholders will vote April 27, Great Northern holders May 11. CB&Q shareholders will vote May 3 on approval of the Burlington merger agreement.

RRs WIN ANTITRUST CASE (*Continued from page 10*)

man Act's "rule of reason," being a defensive campaign, designed to help the truckers without trying to destroy the railroads.

The Supreme Court said it agreed to review the case because it presented a "new and unusual" application of the Sherman Act and involved "severe restrictions upon the rights of these railroads and others to seek the passage or defeat of legislation." The court then proceeded to look over its previous interpretations of the Sherman Act, a review which made it "clear" that the act "does not prohibit two or more persons from associating together in an attempt to persuade the legislature or the executive to take particular action with respect to a law that would produce a restraint or monopoly."

The court conceded that "expansive construction" might bring such associations within the act's proscription of "combinations in restraint of trade." It hastened to add, however, such associations "bear very little if any resemblance to the combinations normally held violative of the Sherman Act." It also said that to hold the people cannot freely inform the government of their wishes "would impute to the Sherman Act a purpose to regulate, not business activity, but political activity, a purpose which would have no basis whatever in the legislative history of that Act."

Meanwhile, the Supreme Court agreed with lower-court statements that the so-called third-party technique, used in the railroad's campaign, involved "deception of the public, manufacture of bogus sources of reference, and distortion of public sources of information." The third-party technique was explained by Justice Black as follows: "The publicity matter circulated in the campaign was made to appear as spontaneously expressed views of independent persons and civic groups when, in fact, it was largely prepared and produced by Byoir and paid for by the railroads."

Though "in widespread use among practitioners of the art of public relations," it is a technique which "falls far short of the ethical standards generally approved in this country," the Supreme Court also said. It added, however, that no violation of the Sherman Act was involved, because "insofar as that act sets up a code of ethics at all, it is a code that condemns trade restraints, not political activity."

Summing up, the court said that, in rejecting grounds relied upon by the lower court to justify application of the Sherman Act to the railroad campaign, it had restored "what appears to be the true nature of the case"—a "no-holds-barred fight between two industries both of which are seeking control of a profitable source of income." The court added:

"Inherent in such fights, which are commonplace in the halls of legislative bodies, is the possibility, and in many instances even the probability, that one group or the other will get hurt by the arguments that are made.

"In this particular instance, each group appears to have utilized all the political powers it could muster in an attempt to bring about the passage of laws that would help it or injure the other. But the contest itself appears to have been conducted along lines normally accepted in our political system, except to the extent that each group has deliberately deceived the public and public officials. And that deception, reprehensible as it is, can be of no consequence so far as the Sherman Act is concerned."

People in the News

BALTIMORE & OHIO.—Is regrouping the jurisdictions of several of its operating divisions to improve management control and divide responsibilities more equitably. The Wheeling division will be divided between the Monongah division (headquarters at Grafton, W. Va.) and the Akron-Chicago division (headquarters at Akron, Ohio). To the Monongah division will be added the territory from Kenova, W. Va., to Holloway, Ohio, while the Akron-Chicago division will absorb the territory from Holloway north to Lorain, Ohio, and a branch from Lester to Cleveland, Ohio. **C. W. Shaw, Jr.,** remains superintendent, with headquarters at Grafton, W. Va.

The former Ohio and Newark divisions will be consolidated as the Ohio-Newark division, with headquarters at Cincinnati, Ohio. **R. C. Diamond,** superintendent of the newly consolidated division, will be at Cincinnati and **J. A. Curtis,** assistant superintendent, at Newark, Ohio.

The former Toledo and Indianapolis divisions will be consolidated as the Toledo-Indianapolis division, under **J. F. Robbert,** superintendent at Dayton, Ohio.

On Jan. 16, the Akron and Chicago divisions were consolidated under **H. I. Walton,** superintendent, at Akron. **H. O. McAbee** serves as assistant superintendent at Garrett, Ind.

Theodore J. Klauenberg, assistant to general manager, Eastern region, Baltimore, Md., promoted to assistant to vice president—operation and maintenance of the system. **John Edwards,** superintendent, Indianapolis division (now consolidated with the Toledo division), succeeds Mr. Klauenberg.

BOSTON & MAINE.— W. N. D. Reid, cashier, appointed assistant treasurer, Boston, Mass., succeeding **Edward Laats,** resigned. **G. C. Smith,** assistant cashier, promoted to cashier.

CANADIAN PACIFIC.—J. M. Roberts, general traffic manager, Montreal, Que., appointed vice president—traffic there, succeeding the late **C. D. Edsforth** (RA, Feb. 13, p. 47).

CEDAR RAPIDS & IOWA CITY.—Robert C. Blinn, commercial agent, named general traffic manager, to replace **Marvin Wright,** who retired Feb. 1.

DELAWARE & HUDSON.—G. T. Althisar appointed general passenger agent, New York, succeeding **E. T. Gillooley,** who retires March 1, after almost 49 years of service.

DETROIT & TOLEDO SHORE LINE.—C. J. McPhail appointed assistant general manager, Lang, Ohio, with full jurisdiction over and responsibility for operations, maintenance, property protection, purchasing and stores.

J. M. Roberts
CPR

Victor E. Straus
Milwaukee

ERIE-LACKAWANNA. — Consolidation of the rates and divisions department with offices at Pier 7, North River, will be effective Feb. 27.

MILWAUKEE.—Victor E. Straus, general freight agent, Chicago, named to the newly created position of freight traffic manager, sales and service there. **Oliver R. Anderson,** general passenger agent, and **Floyd K. Beem,** general agent, appointed to the newly created positions of traffic manager of the Illinois region and assistant traffic manager of the Illinois region, respectively, with headquarters at Chicago. **John K. Pain,** assistant general passenger agent, succeeds Mr. Anderson.

OBITUARY

Frederick J. DeGrief, 93, who retired in Oct. 1946 as superintendent of the **Nickel Plate,** at Indianapolis, Ind., died Dec. 8, 1960.

Supply Trade

Wheel Checkers, Denver, Colo., has granted exclusive worldwide marketing rights to **Servo Corp. of America,** Hicksville, N. Y., for a railroad safety device which automatically detects broken wheel flanges and loose wheels on passing freight trains.

R. A. Weber has been appointed district manager, **Tamper, Inc.,** Pittsburgh.

James A. Mustard, Jr., general sales manager, Nickel-Alkaline Battery Division, **Electric Storage Battery Co.,** West Orange, N. J., has been promoted to assistant to vice president—marketing, Industrial Marketing Division, at Philadelphia, Pa.

G. L. Rans, divisional auditor, **Electro-Motive Division** of **General Motors,** has been appointed assistant divisional comptroller.

John F. Burditt, treasurer of **ACF Industries, Inc.,** has been elected a vice president of the **American Railway Car Institute.** The Institute re-elected **John W. Scallan,** president, **Herman Altschul** and **George R. Barker,** vice presidents, and **Walter A. Renz,** secretary-treasurer.

C & S Products Co., Windsor Locks, Conn., has appointed the **Fleming Engineering Co., Inc.,** Fort Worth, Tex., as representatives for the complete line of Semper-Seal cable splice and blocking compound products in Texas and Oklahoma.

E. J. Agnew has been appointed manager, engineering administration, **Union Switch & Signal Division—Westinghouse Air Brake Co.,** reporting to the vice president—engineering. **R. H. Tunell** and **C. B. Shields** appointed consulting engineers—equipment engineering. **D. D. Huffman** named section engineer—signaling—domestic.

William J. Bell has been named national sales manager, Transportation Cleaning Products Division, **Economics Laboratory, Inc.,** St. Paul, Minn.

Industrial Traffic

C. D. Haig, assistant traffic manager, **Oyster Shell Products Co.,** Mobile, Ala., has been named traffic manager.

Frank G. Moore, general traffic manager, Chemical division, **Pittsburgh Plate Glass Co.,** retired Feb. 1. **James E. Weaver,** assistant general traffic manager, Chemical Division, Pittsburgh Plate Glass Co., has been elected chairman, Committee on Tank Cars, Tank Trucks, and Portable Tanks of the **Manufacturing Chemists' Assn.,** to serve for two years.

William DeBoer has been appointed general traffic manager, Western division, **Colorado Fuel & Iron Corp.** Mr. DeBoer was previously traffic manager for CF&I and the Colorado & Wyoming Ry. (CF&I subsidiary).

William P. Pierce, general traffic service manager, **Kaiser Steel Corp.,** has been appointed assistant to general traffic manager, Oakland, Calif.

Edwin E. Wyatt, Sr., retired traffic manager, **Continental Grain Co.,** Houston, Tex., has been appointed consultant to the Houston Merchants Exchange, 7129 Harrisburg, Blvd., Houston 11, Tex., specializing in car demurrage and grain traffic handling services.

Richard E. Morey has been appointed port representative in the Division of Port Development in the area served by the Pittsburgh regional office of the Delaware River Port Authority. Mr. Morey was formerly traffic manager in Pittsburgh for the **Quanah, Acme & Pacific Railroad** (RA, Feb. 20, p. 44).

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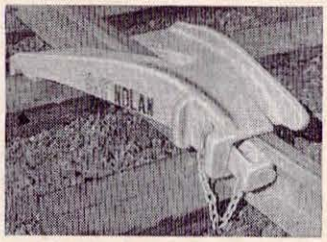

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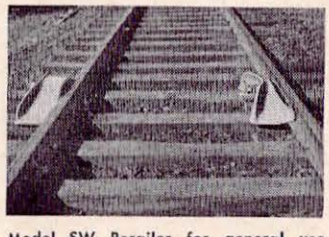

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You Ought To Know...

Assignment of responsibility for concealed damage to a rail-truck LCL shipment of sewing machines is being decided by the National Freight Claims Council of the ATA. Kansas City Southern, the delivering carrier, agreed with Ryder System, Inc., to submit the dispute to the ATA arbitration board.

A "high priority" committee of officers from five departments will make a series of system-wide studies on the Reading to determine ways and means of improving efficiency of operation and of planning future operating and maintenance policies, President E. Paul Gangewere announced. He said the prime purpose of the group "will be to develop improved service and more efficient use of the personnel, equipment, trackage, yards, buildings and other facilities of the company, consistent with service requirements."

Two passengers were killed and 163 injured in train and train-service accidents in December 1960, according to a preliminary ICC report. There were one fatality and 119 injuries in December 1959. Passenger fatalities in 1960 totaled 32, compared with 10 in 1959. Nineteen employees on duty were killed and 1,176 injured in December 1960, compared with 19 killed and 1,213 injured in December 1959. Employee fatalities for 1960 totaled 192, and 168 in 1959.

Good transportation means new industries and the ability to provide jobs, Bangor & Aroostook President W. Gordon Robertson told the Bangor Rotary Club last week. He warned that Maine must utilize its existing transport facilities before paying the "crushing" price of supplying an alternate transportation system.

Traffic management and transportation programs at the University of Oregon are described in a brochure designed for high school seniors and distributed throughout Oregon. The university's School of Business Administration offers a four-year program leading to the degree of Bachelor of Business Administration with a major option in transportation and traffic management.

Expenditure of $200 million on a rail-bus mass transport system for New Jersey-New York City commuters has been proposed by N. J. State Senator Walter H. Jones, a candidate for the Republican nomination for governor of that state. The money would come from surplus funds of the Port of New York Authority, the New Jersey Turnpike Authority and the Triboro Bridge and Tunnel Authority and the plan wouldn't cost the public "a five-cent piece in additional taxes."

Western Pacific has entered complaints against nine railroads in an effort to secure establishment of additional through routes and joint rates for WP and subsidiaries. Routes and rates sought would extend the competitive territory now served by the Inside Gateway route between California and the Pacific Northwest. Two of the defendant roads, Santa Fe and Great Northern, have indicated agreement with WP and are included in the complaint "for technical reasons." The other lines cited: Camas Prairie, Northern Pacific, Pacific Coast, Spokane International, Union Pacific, Walla Walla Valley and Washington, Idaho & Montana.

Reading has sold its North Philadelphia station to the Russell Holding Co. of Philadelphia. The new owners are expected to revamp the 32-year-old, 58,000-sq-ft property, with provision for passengers remaining much as at present.

The steel industry will experience "a gradual, unspectacular improvement in demand" through this year, Russell L. Peters, Inland Steel's financial vice president, told the Los Angeles Society of Security Analysts.

Old CPR roundhouses are being put to good use in western Canada. At Wynyard, Sask., a former roundhouse has been converted into a brooder house for broiler chickens. The Minnedosa roundhouse is now home for a thriving new industry manufacturing farm machinery and equipment. Nine other roundhouses are providing space for wheat and storage of other goods in transit. CPR finds three reasons for pride in thus disposing of old roundhouses: "A building no longer needed in railway service becomes income-producing; employment is furnished to local residents; and the railway, through successful operation of such buildings, attains a continuing flow of desirable traffic."

Re-opening of the Seaway is set for April 1 (Welland Canal) through April 15 (Lachine and Cornwall Canals), the St. Lawrence Seaway Authority says, unless "in the opinion of the Authority, weather and ice conditions do not so allow."

Authority to discontinue passenger service between Buffalo and Niagara Falls was granted the New York Central by the New York PSC. NYC estimates it will save $137,600 a year.

Thompson Heads FEC

Stockholders of the Florida East Coast Railway, which emerged last month from almost 30 years of receivership and bankruptcy, last week named William Blaine Thompson, Jr., 43, as president of the reorganized road.

Mr. Thompson, an assistant to the vice president of the Association of American Railroads, was to assume his new duties immediately.

Edward Ball, trustee of the Alfred I. du Pont estate, will serve as board chairman of the FEC. A majority of FEC's common stock is held by the St. Joe Paper Co. and the Alfred I. du Pont estate.

Among FEC's 22 directors are W. Thomas Rice, president of the Atlantic Coast Line; J. W. Smith, president of Seaboard Air Line; and Harry A. DeButts, president of the Southern.

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The author was for some time manager of the Canadian National Railways Personnel Section at Montreal and there devised a management training program which attracted particularly wide and favorable comment. Mr. Daffern is presently associated with a prominent management consulting firm. His special knowledge of the training problems of the railroads makes this volume of unique value to transportation personnel.

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'Get Well—But Not Just Yet'

"Our overall transportation system is not, at the moment, in acute financial distress, but there are strong indications of trouble ahead in the not too distant future."

There's the understatement of the year 1961 for you. The quotation appears on page 1 of General Doyle's 732-page transportation policy report to the Senate Committee on Interstate Commerce—and the calm and leisurely viewpoint of this statement characterizes the entire report.

Just how sick does the transportation industry have to get before the doctors will leave off their examination and diagnosis—and get down to serious surgery and medication?

Railroads as a whole earned only about 2% on their investment in 1960. Their expenditures for replacements and improvements took a nose dive. Their employment sank to the lowest level of the present century. At least one big railroad has to depend on emergency governmental loans to meet its weekly payroll. Failing this transfusion, a large part of its operation would have to cease. All common carrier transportation is losing ground to private carriers.

Despite this crisis, General Doyle's group has carried out its assignment in the same unexcited and unhurried frame of mind that characterized the Commerce Department's report on the identical problem almost a year ago (RA, Mar. 28, 1960, p. 82). It is an attitude understandable at an autopsy or a coroner's inquest—but hardly appropriate when the patient still has some life left in him; and might still be saved.

The factual content of the Doyle report is, on the whole, impressive. Some of the conclusions the researchers arrive at are debatable but, on the average, the fact-finding performance is praiseworthy. But whose job is it to select and marshall the essential facts from this encyclopedia and put them as authority behind three or four major projects of legislation?

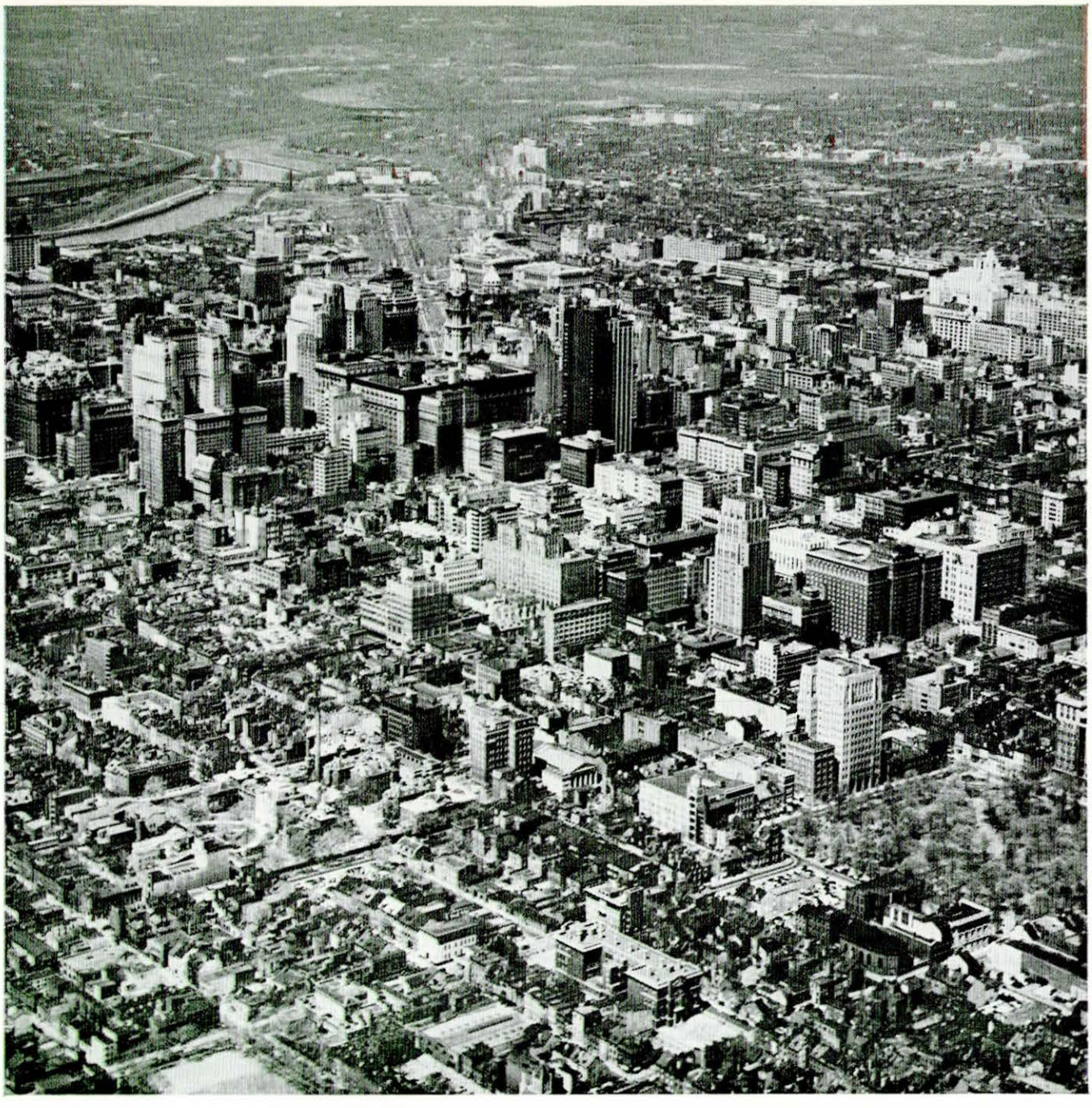
We published a picture of David I. Mackie in our February 13 issue, p. 13. It showed him standing behind a 6-ft stack of reports on transportation, put out by government agencies since 1934. That stack is now about 2 in. higher, as the result of the publication of the Doyle report—and that will be the net result of all this hard labor, unless and until somebody takes on the job of turning the lead from the Doyle report into legislative bullets; and begins firing them. The quartermaster and ordnance corps have done their job, and done it well. Now when do the infantry and the artillery come into the act?

The leisurely approach of scholarship, as contrasted with the dynamic action necessary to resolve a crisis, is typified by the discussion of transportation pricing (pp. 385-444). The author presents a detailed argument in favor of "long-run marginal costs" as a "floor" for competitive rates. Determination of such costs will take a long time, and, meantime, the floor would be out-of-pocket costs as the ICC defines them. The author goes on, however, to down-grade what he calls "selective rate-making"; and to admit that regulation of minimum rates cannot succeed in allocating traffic economically unless rates of *all* for-hire carriers are brought under regulation.

There's more to the problem than that, Mr. Author. You cannot make competitive rates which will allocate traffic economically unless you include compensatory "user charges" on trucks and barges in computing their costs. Also, if you hold common carrier rates up to a level of "long-run marginal costs," how will common carriers be able to compete with private carriers? Private carriers will invariably use their short-term direct costs in their competition, and they will lick any other carrier who sets his floor at a higher level.

Getting more accurate cost information is a desirable objective—for the guidance of management, as well as for the education of the regulators. But solving the problem of railroads' present lack of opportunity to compete for traffic which would improve their desperately inadequate earnings cannot wait for attainment of perfection in cost finding. If railroads cannot be definitely retained in the area of remunerative private enterprise in the year 1961, plans for highly refined cost analysis to be perfected in 1965 or later will not be of any practical value.

What's needed now—above all else—are four or five legislative projects of significant impact, in the hands of able legislative strategists. The Doyle report, supplemented by the Commerce Department report, will provide these strategists with all the ammunition they need. Brainpower has been working on the transportation problem for a long time. Now it's time for willpower to take over.



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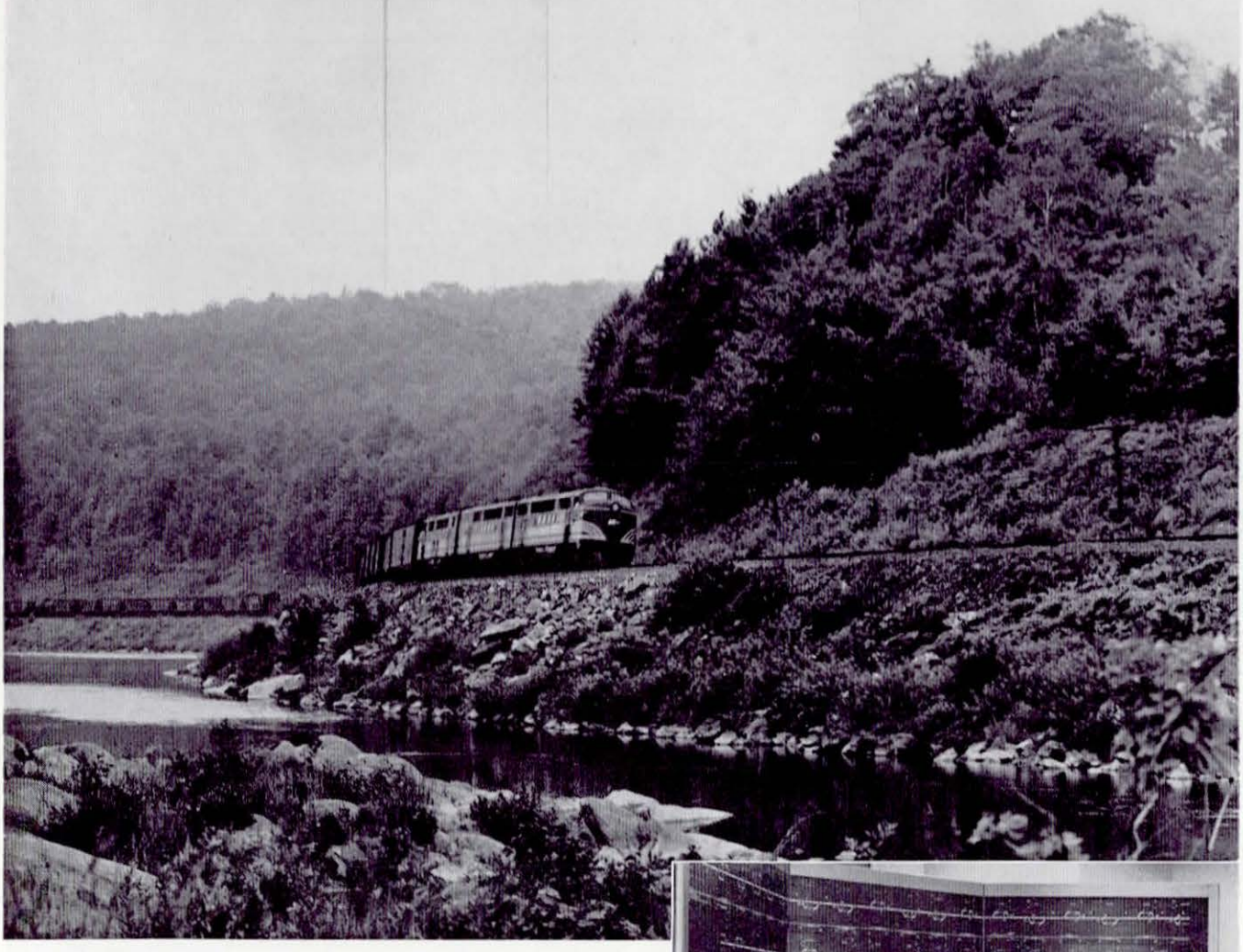

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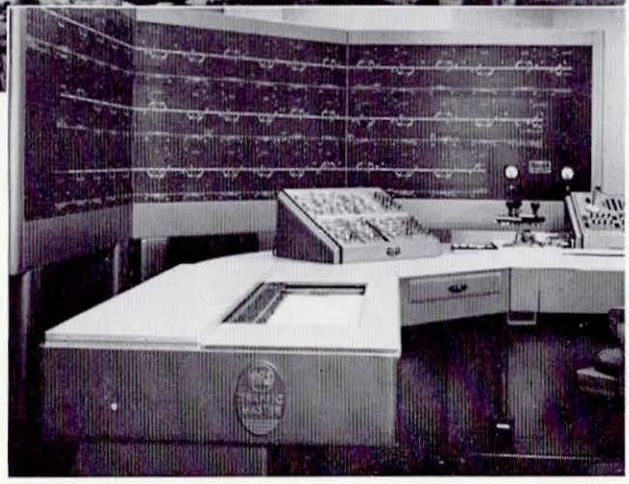

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